



Gofal Cymdeithasol **Cymru**  
Social Care **Wales**



# Annual Report and Accounts 2020 – 2021

## **Regulation and Inspection of Social Care (Wales) Act 2016**

Annual Report and Accounts of Social Care Wales prepared pursuant to Schedule 2, Part 6 Paragraph 16(1-3) of the Regulation and Inspection of Social Care (Wales) Act 2016, for the year ended 31 March 2021 together with the Report of the Auditor General for Wales thereon and laid before Senedd Cymru pursuant to the Regulation and Inspection of Social Care (Wales) Act Schedule 2, Part 6 Paragraph 16(4)

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## Performance report

### Overview

#### Statement from the Accounting Officer

This represents the fourth Annual Report and Accounts that have been prepared by Social Care Wales since its inception in 2017. This year, as all previous years, the organisation can be pleased to have met its statutory obligations in full and to deliver meaningful support for the social care and early years sectors and those who use their services.

This, of course, has been achieved during Covid; the most significant disruption to our lives for a generation. For social care and early years, the challenges of the past year have been immense. The response of those on the front-line of services has been incredible, and I want to record my thanks and gratitude to them.

I am also very proud of the way Social Care Wales has responded to the emergency - adapting and engaging with the sector throughout. I believe this report demonstrates that we have worked as part of a cohesive sector response, strengthening our partnerships across Wales, and using our resources to support the continued delivery of effective services throughout.

We have continued, despite the challenges, to embed the framework to transform care and support in Wales, as set out in the Social Services and Well-being (Wales) and Regulation and Inspection of Social Care (Wales) Acts. We have also continued to work with others to develop and plan the future development of the social care and early years workforce, through "A Healthier Wales" and the Welsh Government's "10-year Childcare, Play and Early Years" workforce plan whilst also building on national partnerships across Wales as we recover from the pandemic.

Social care workers help people live the lives they want, supporting people to develop, remain active and independent, stay safe and well connected to their community and wider networks. They do this alongside family, friends, volunteers and other public services. Early years workers help give our children a great start in life and provide valuable support for parents.

The Covid pandemic has truly demonstrated how valuable care workers are, as key workers, to our society. We want to build on this recognition leading on investment in the workforce, to ensure a sustainable way forward. We see this as essential if we are to meet the needs of our communities where the impact of poverty, poor health and an ageing society bring increased demands for good quality care and support.

In response to the pandemic, at the start of the financial year, we re-aligned our Business Plan to take into account how we intended to:

- support the social care and early years sectors in responding to Covid
- adapt our business-as-usual activities to support the sustainability of the workforce (including how we will adapt our approaches to support the current environment)
- support the recovery of the sectors from Covid.

The speed, magnitude and challenge of the pandemic on the sector is not something we had experienced before. From the start we recognised the pressing need to respond swiftly and flexibly in our approach to supporting the sector and our own staff, to provide them with the assistance they need. Some of the key initiatives we have delivered, as a response to Covid, are set out below:

### **Supporting and maintaining the workforce**

- raising the profile of the workforce
- supporting workforce wellbeing
- developing digital learning and peer support networks
- supporting and promoting the sector as a career
- developing a jobs portal

### **Enabling continuing education for social care students**

- making temporary adjustments to our Regulatory requirements
- re-focusing financial support for training and development

### **Providing recognition and support to all who were providing care**

- producing a care worker card

### **Providing expert knowledge and best practice for the sector**

- learning from Covid and sharing practice on 'What made a difference?'
- developing Covid research priorities
- developing one stop shop of curated expert guidance on Covid

### **Providing ongoing regulation and development activities**

- developing, adapting and maintaining business operations during Covid and capturing learning to inform our future operations.

## Our approach for 2021-22

Due to the current landscape and the constantly changing situation regarding Covid, we have set out an ambitious programme of work for delivery in 2021-22. This is based on our Remit Letter's strategic objectives and the Grant-in-Aid funding which was received on 25 March 2021 from the Deputy Minister for Health and Social Services.

Our focus for delivery during 2021-22 will be in three areas:

1. Maintaining and adapting our core activities in light of Covid
2. Supporting the recovery of the social care and early years sector
3. Supporting the sustainability of the sector

We will focus on our ambitions to:

- empower the workforce to achieve the best person centred care
- enhance the provision of services through managers, leaders and owners
- enable strategic leaders with evidence and skills to improve planning, service development and quality
- ensure continuous improvement in how we do our work, to be an effective and efficient Welsh public service leadership organisation.

To find out more details on how we will deliver this work visit [our website](#) and [our Business Plan 2021-22](#).

### Sue Evans

Chief Executive and Accounting Officer

Date: 21 July 2021

## Role of Social Care Wales – Who we are



## Our vision and strategic objectives

### Our vision

We want every person who needs support to live the life that matters to them

### Our purpose

Building confidence in the workforce and leading and supporting improvement in social care

## Our aims

Our three strategic aims define what we do. These aims will result in:

- people having confidence in the social care workforce, including the early years workforce, and the effectiveness of Social Care Wales
- improved well-being outcomes for children and adults who rely on care and support, their families and carers
- a high-quality, sufficient and skilled workforce.

## Key issues and risks we face

Information about our risk management and the main risks we face is provided in the Governance Statement on page 22.

The factors we think will have the greatest influence over the way we work and how we achieve our vision over the next five years are:

- the impact of Covid directly and indirectly on the social care and early years sector in supporting people and children
- remaining in a period of financial constraint for public services, which means it will be difficult for Welsh Government to realise its ambition to provide sustainable funding for social care, including delivering Fair Work commitments
- the ambitious policy landscape, which will stretch our own resources and capacity.

## Performance analysis

Our annual Business Plan for 2020-21 sets out our strategic objectives, along with our high-level activities and achievement measures. Throughout the year we provide quarterly reports about the progress we have made against our strategic objectives to our Executive Management Team, and these are scrutinised by our Board and the Welsh Government.

Whilst many of our existing activities and our response to Covid were delivered effectively and at pace in year, we took a decision to slow down some activities and carry them forward into our business delivery for 2021-22 to ensure that the outcomes are truly co-produced with the sector. This was in recognition that the pandemic was having a significant, continued impact on the ability within the sector to participate in the level of engagement required.

## Providing public confidence

### Registration

Registration is part of our ongoing commitment to continuously develop the social care workforce and raise the status of workers. We recognise the need to make sure we have a sufficient workforce that is ready to meet new challenges, with the right skills and confidence to practise.

With the increased size of the Register, we will continue to identify ways in which we can better interact with registered people, helping them understand the expectations and standards set by the Code of Professional Practice by supporting their learning and development.

**35,802** people were on our Register (as of March 2021)

**1,497** people left the Register (during 2020-21)

To relieve pressure on the sector we made a number of changes to how regulate the workforce in light of Covid. Some examples include:

- **Social Care Workers have up to 12 months from their start date to register with us (temporarily changed from 6 months):** This allowed workers to focus on the response to the pandemic, rather than completing registration within the normal period. Workers remained subject to the code of professional practice.
- **Temporary Register for Social Work:** We invited social workers who had left the register in the past three years to re-join a new, temporary register so they could be quickly brought into service if required by employers.
- **Approval requirements for Social Work qualifying training in the light of the Covid pandemic:** The pandemic meant practice placements for student social workers were often unavoidably curtailed. We worked with Higher Education Institutions (HEIs) to find routes for students who had demonstrated the required progress and competence to qualify.

## Fitness to practise

### Scheduling and holding hearings during Covid

Throughout 2020-21 all our panel hearings, Interim Suspension Orders (ISO), ISO reviews, Registration Appeals and Fitness to Practise Hearings were delivered remotely.

**346** registered persons were subject of allegations that called into question their fitness to practise( this represents 1% of the Register)

**162** (47%) of referrals related to registered persons who were subject to disciplinary processes

**29** final hearings were held

**16** people were removed from the Register

Of those removed, their roles were:

**56%** (9) - residential child care workers

**6%** (1) - adult care home managers

**6%** (1) - social workers

**19%** (3) - domiciliary care managers

**13%** (2) - domiciliary care workers.

### Promote recognition of the workforce

The social care worker card and early years and child care worker card were produced at the start of the pandemic (launched in April 2020) to recognise the key role workers have in supporting people in every community in Wales. The card provided workers with useful benefits such as preferential shopping times, priority access to certain retailers and additional on-line resources and programmes to support wellbeing. Over 30,000 workers have been issued a card to date. Throughout the year we have continued to review and update the benefits attached to the card and maintain its prominence with retailers.

A new version of the digital card was launched in April 2021 (as the original card expired at the end of April 2021). We applied learning to our approach based on feedback from existing card holders. We considered additional future benefits that can be attached to the card along with how the card can be branded and designed for the care workforce in Wales. This single approach covers both social care and early years and child care.

## Support workforce wellbeing

In December 2020 the Employee Assistance Programme for social care workers in the private and voluntary sectors in Wales was launched. The Welsh Government is supporting the scheme, with funding of £150,000 which we procured and is being managed by Social Care Wales. The scheme is available to around 55,000 social care workers, who may not have had access to such a scheme, to give greater support to their well-being. The scheme recognises the personal impact Covid has had on many workers and will provide more consistent availability of support across the sector. We ran a series of webinars to over 120 attendees. As part of the launch of the scheme a webinar for managers attracted over 200 participants.

This scheme builds on the well-being support available through our website, where the Covid and well-being pages has been viewed the most since the pandemic started.

We have worked in partnership with Improvement Cymru to deliver a peer support network to care home managers called the Care Home Cwtch. We also launched a peer support offer for domiciliary care managers called 'A Time for You'. Feedback on the sessions held have been positive and a second cohort of further sessions has been opened up to new participants in addition to existing ones.

We established a social care wellbeing network to support progression of initiatives and approaches to support workforce wellbeing in the immediate pressures from Covid and also longer term aspirations from the workforce strategy for example through commencing work on a staff governance framework.

**“I have learnt so much from the group and have felt support from each member of my group”**

**“It’s been far more beneficial than I ever imagined”**

**“I didn't realise how much I needed these sessions until I started them, possibly one of the very few positives to come out of the pandemic.”**

**Domiciliary care managers**

## Working with you to be effective

### Strategy and governance

We consulted on our draft priorities for our next strategic plan. We set out our priorities and proposals for what we want to achieve, where we suggest we focus our energies and how we want to work with people over the next five years to realise our vision. The consultation was open for 10 weeks and we will use the feedback received as we prepare our new Strategic Plan for 2022-27 during the coming year.

### Supporting our staff to work from home

From 23 March 2020 our entire workforce has been working remotely from their homes and we have committed to this continuing until May 2021 at the earliest. During this time, we have conducted 2 Home Working Risk Assessments for all staff and have provided the necessary IT and office equipment to support staff in their working remotely. We have also run a number of mini staff surveys as part of supporting the wellbeing of our staff. Our Staff Partnership Council has continued to meet on a monthly basis to discuss any matters being raised through to their representatives.

### Staff well-being

As a public service organisation, we are committed to demonstrating the Welsh public service values in the way we work with the sector and the way we work within the organisation. Staff wellbeing has been the core principle in managing business continuity and business operations whilst working remotely. This relates to supporting our employees physical and mental wellbeing whilst working remotely and continuing to live within the ever-changing pandemic and its related restrictions.

#### Current workforce

**137 (131 wte)**  
staff

**30**  
posts were recruited to

**5.32%**  
staff turnover

**2.38%**  
sickness absence rate



## Engagement and communication



## Developing the workforce

### Workforce strategy

The 10-year workforce strategy, 'A Healthier Wales: Our Workforce Strategy for Health and Social Care', was launched in October 2020.

This ambitious strategy is essential if we are going to address our current workforce challenges. Developed jointly by Health Education Improvement Wales (HEIW) and ourselves, this is based on extensive engagement and the strategy sets out the vision, ambition and approaches that put well-being at the heart of plans for the NHS and social care workforce in Wales. It reflects a core element of the Parliamentary Review and 'A Healthier Wales' 'Quadruple Aim' to deliver an inclusive, engaged, sustainable, flexible and responsive workforce to deliver excellent health and social care services.

In partnership with HEIW, we produced a 6 month workforce strategy winter plan that provided an immediate and continued response to the pandemic to support the sector in each of the seven key theme areas of the strategy.

**"If we deliver this Strategy, we will make a real and significant difference"**

**Vaughan Gething MS, Minister for Health and Social Services**

**"This is an ambitious strategy, but that is essential if we are going to address our current workforce challenges. We know that we need to spend more time developing sustainable solutions and building in flexibility and agility to respond to the needs of the people who use our services as well as the needs of the workforce."**

**Dr Chris Jones, Chair at HEIW**

## Qualifications

New qualifications for leaders and managers of health and social care and childcare services were launched from September 2020.

The qualifications cover a wide range of areas, including leading and managing health and social care and childcare services, professional practice and independent advocacy. Working with partners we have supported the implementation of new qualifications for the sector.

**“There has never been a more important time to invest in the development of leaders and managers of our front-line services. This new suite of qualifications provides an excellent opportunity for career progression.” Sue Evans, our Chief Executive**

## Support and promote the sector as a career

Throughout the year we have been utilising and building on the WeCare Wales brand to support attraction and recruitment to the sector during this time.

In May 2020 a TV advert created by the WeCare Wales campaign ran across ITV Wales, S4C and All4 featuring a Care workers’ poem about her job. To help bring the care workers words to life the advert also included a collection of home-footage taken from within care homes across Wales during lockdown. The clips show how care workers are going ‘above and beyond’ to ensure spirits are kept high and helping residents keep in touch with loved ones by using technology.

We developed a WeCare Wales job portal in response to the pandemic to enhance the ease with which employers can advertise their job vacancies and people can see the vacancies available within their area. This has been built on throughout the year, where we launched a job seekers platform that included an online values-based learning resource to help people find out whether a career in care would be right for them and allowed them to upload their CV and make direct contact with employers.

Early in 2021-22, we will be celebrating, through a TV advert, how the Early Years and Childcare workers and settings provide so many children across Wales with the best start in life.

## Developing a rapid recruitment and introduction to social care training for the sector in Wales

There are long standing concerns on the capacity of the social care sector in Wales, that have been amplified during Covid. In order to support services, during the pandemic and challenges of increased demand, coupled with staff absence and contact isolation, a rapid recruitment and introduction to social care was developed to support additional capacity into the sector. This approach is being piloted in four local authority areas. The work included developing a rapid recruitment and introduction to social care which:

- promoted rapid recruitment initiatives to drive interest in the sector
- enabled individuals to signal their interest in working in the sector
- developed an introduction to social care programme which facilitated the essential training required for individuals to undertake basic social care support roles
- delivered a 4 day introduction to social care programme
- worked with employers to identify the types of roles this workforce could support
- notified employers of individuals who are 'ready' for social care support roles
- establish an evaluation to learn lessons from the pilot.

## Investing in the workforce

We invested in supporting the social care workforce, so they have the right knowledge, skills, understanding and approach to provide good care and support.

This included £7,149,350, which was paid to local authorities through the Social Care Wales Workforce Development Grant (SCWWDP) and was match funded by £3,064,007 local authority funding.

The local authorities also invested additional funding to supplement the grant in supporting the development of the workforce.

In addition, £810,000 was provided in the form of a regional facilitation grant to help support engagement across the sector including registered managers and support the work of the WeCare Wales campaign.

We also developed an enhanced bursary offer for returning social work students, recognising the financial and operational challenges they have faced during the Covid emergency. Each returning student received an additional £500 in their first term bursary.

## Leading and supporting improvement

### Vulnerable children

Through our membership of the Ministerial Advisory Group, we have provided support to the sector to develop a stronger focus on rights and responsibilities. We co-produced a conference to celebrate the residential childcare workforce, who are supporting many of our most vulnerable children.

### Dementia networks

From April 2020 we have been running all our networks virtually to support the skills and learning of the sector. As an example, the Dementia Learning Co-ordinator Network has 76 members from health, social care and independent providers. The network has actively shared resources throughout the pandemic. Webinars have been held throughout to look at how dementia training and learning can be taken forward during Covid and beyond. In terms of supporting the sector in embedding outcomes focused practice during this time we have been running on-line learning networks with mentors subgroup to reflect on practice opportunities and challenges during the last 6 months of embedding outcomes practice through the pandemic.

### National Management Development Framework

The past 12 months have seen continued success for our national management development framework. The framework sees the bringing together of both accredited and professional development opportunities for, in the main, social services departments and their managers across the 22 local authorities. Since the Team Manager Development Programme (TMDP) began, some 500 students have been supported by Social Care Wales and ADSS Cymru to undertake this training programme and cohort 31 started in September 2020.

### Research and development

The ambition to embed evidence in both practice and policy in social care and social services in Wales is a key part of the Social Care Wales research and development strategy 2018-23, and one of three major domains in Welsh Government's Performance and Improvement Framework.

Our Strategy has guided our work and will be refreshed, in line with our new overall Strategic Plan for Social Care Wales.

During 2020-21, we have strengthened our partnership working, to improve our influence on research priorities and develop our data offer, which form part of our evidence offer for the sector.

We are working with Social Care Institute for Excellence (SCIE) on what good research and intelligence will be required by frontline practitioners and to identify whether and how these changes can be meaningfully embedded in the future design of care and support.

## Research prioritisation project

Ten research priorities into the care and support of those aged 65 and over in Wales have been developed by Health and Care Research Wales and Social Care Wales. The report, published in February 2021, sets out the research priorities and gives an update on the progress to date in getting research on them commissioned by funding bodies.

The project, run in association with the James Lind Alliance, developed the priorities by asking nearly 400 older people, carers and social care practitioners, "How can we best provide sustainable care and support to help older people live happier and more fulfilling lives?".

Members of the public and social care professionals were invited to take part in surveys and workshops to have their say on the priorities.

## Develop Covid research priorities

Covid has shone a light on the care sector and a need for change and investment. Identifying up-to-date and high-quality evidence is necessary to ensure that investment in new approaches in social work and social care practice is justified and prudent. There has also been much discussion of how the crisis has been accompanied by a shift in views, for example, on community support resilience, and social solidarity, which help communities provide effective support to each other, in line with the aspirations of the Social Services and Well-being (Wales) Act.

We are working with the Covid Evidence centre to inform their activities.

## A Statement of Strategic Intent on social care data

In March we launched a new vision to improve how social care data is used to benefit people needing care and support in Wales. The vision sets out how we will engage with people about using their data to benefit them and supports the ambitions set out in the Welsh Government's Digital Strategy for Wales.

This follows on from a discovery report published in partnership with Digital Health and Care Wales, and based on extensive engagement to outline how we can improve and develop the use of data in social care, so that the sector is supported to make more informed decisions.

**"We have the opportunity in front of us now to demonstrate what a data-rich nation can achieve for people who need care and support and for unpaid carers who need support. This Statement of Strategic Intent is the next step in realising this vision."**

**Julie Morgan MS, Deputy Minister for Health and Social Services**

## Accolades

In 2020 we held the Accolades awards ceremony virtually in November 2020 that was broadcast live on YouTube. The Accolades are awarded to teams, groups or organisations that have had a positive effect on people who receive care and support; support staff development; help improve services; meet people's equality, diversity and language needs. Winning an Accolade showcases social care and early years achievements and is an opportunity to share best practice with others across the sector. Fourteen projects and five care workers were chosen by our panel of judges as finalists for the 2020 Accolades. There were six categories and one winner in each category. You can watch the videos of all the inspiring finalists [online](#).

## Accountability report

### Corporate governance report

### Directors report

#### History and Statutory Background

The Care Council for Wales was renamed Social Care Wales in accordance with the Regulation and Inspection Act (Wales) 2016 and this Annual Report and Accounts will be the fourth prepared as Social Care Wales. Seventeen Annual Report and Accounts were previously prepared as the Care Council for Wales.

The Annual Report and Accounts has been prepared under Schedule 2, Part 6, Paragraph 16(1-3) of the Regulation and Inspection of Social Care Wales Act 2016; it is presented in a form directed by Welsh Ministers, with the approval of HM Treasury.

#### Chief Executive and Accounting Officer

The Chief Executive and Accounting Officer for the financial year was Sue Evans.

#### Social Care Wales Board Members

At 31 March 2021 there were fifteen members including the Chair who have been appointed by the Minister for Public Health and Social Services.

#### Members serving 1 April 2020 to 31 March 21

##### Members

Mick Giannasi - Chair (term ending 31 July 2023)  
 Abigail Harris (term ending 31 March 2025)  
 Carl Cooper (term ending 31 March 2025)  
 Damian Bridgeman (term ending 31 March 2024)  
 Donna Hutton (term ending 31 March 2024)  
 Emma Britton (term ending 31 March 2025)  
 Grace Quantock (term ending 31 March 2025)  
 Joanne Kember (term ending 31 March 2025)  
 Jane Moore (term ending 31 March 2024)  
 Kate Hawkins (term ending 31 March 2022)  
 Maria Battle (term ending 30 June 2023)  
 Peter Max (term ending 31 March 2024)  
 Rhian Watcyn Jones (term ending 31 March 2022)  
 Simon Burch (term ending 31 March 2024)  
 Trystan Pritchard (term ending 30 June 2023)

In addition, Daxia Varsani is an independent member of the Audit and Risk Committee and her term will end on the 30 April 2023.

A register of the declared interests of members is available on our website.

In line with best practice and guidance, Social Care Wales established an Audit and Risk Committee at its inception. Membership is drawn from Board Members plus a co-opted independent member. Meetings are attended by representatives of internal and external audit and Executive Management Team.

## Statement of the Responsibilities of Social Care Wales and the Chief Executive

Under Schedule 2, Part 6 Paragraph Section 16(1-2) of the Regulation and Inspection of Social Care (Wales) Act 2016 Social Care Wales is required to prepare a statement of account for each financial year in such a form and on the basis directed by Welsh Ministers with the approval of HM Treasury.

The accounts are prepared on an accruals basis and must give a true and fair view of Social Care Wales state of affairs at the period end, and of its income and expenditure and cash flows for the period.

In preparing the accounts, Social Care Wales is required to comply with the requirements of the Government Financial Reporting Manual, and in particular to:

- observe the accounts direction issued by Welsh Ministers, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgments and estimates on a reasonable basis
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements and
- prepare financial statements on a going concern basis, unless it is inappropriate to assume Social Care Wales will continue in operation.

The Principal Accounting Officer for the Welsh Ministers has designated the Chief Executive as Accounting Officer for Social Care Wales. Her relevant responsibilities as Accounting Officer, including the propriety and regularity of the public finances for which the Accounting Officer is answerable and for keeping proper records and for safeguarding Social Care Wales assets, are set out in Managing Welsh Public Money.

I confirm that as far as I am aware there is no relevant audit information of which Social Care Wales auditors are unaware and that I have taken all steps to make myself aware of any relevant audit information and to establish that the auditors are aware of that information.

I confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and that I take personal responsibility for the annual report and accounts and for the judgements required for determining that they are fair, balanced and understandable.

**Sue Evans**

Chief Executive and Accounting Officer

Date: 21 July 2021

## Governance statement

This statement sets out the control structure of Social Care Wales and provides an account of corporate governance and risk management, alongside a description of the strategic risks.

This governance statement sets out:

- the basis by which we were established
- the way in which we are governed and managed
- how as the Accounting Officer, I am accountable for what I do.

## Our organisation

We are a Welsh Government Sponsored Body (WGSB). This means we receive funding from Welsh Government to complete specific priorities, which are set out on an annual basis in a remit letter.

We were set up under the Regulation and Inspection of Social Care (Wales) Act 2016 in April 2017 “to continue the work previously undertaken by Care Council for Wales regulating and developing the social care workforce, while also taking on a new responsibility to lead and support improvement across the sector. This involves a range of activities from presenting data and evidence, advising on priorities for social care research and showcasing best practice.”

It is important to note that this governance statement is written in the context of the Covid pandemic. Our business plan 2020-21 activities were fully focused on supporting the social care and early years during this unprecedented time to make sure we make a positive and lasting contribution to the quality of services in Wales. The impact of Covid required us to re-think our approach for 2020-21 so that our focus was on:

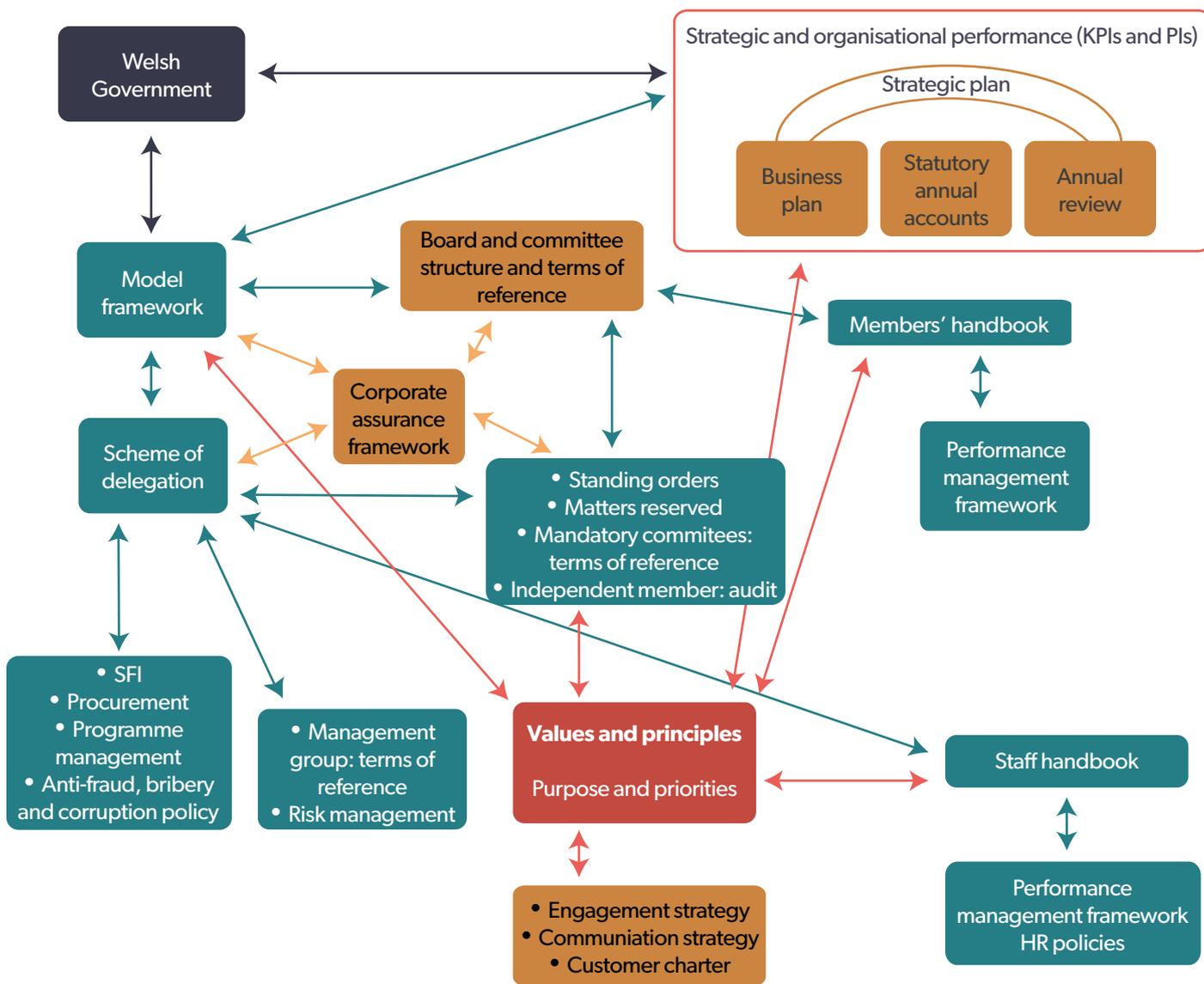
- delivering our core and statutory functions: adapted as required in light of Covid, including changes to our regulatory system so that it was appropriate for the sector during the emergency.
- Covid rapid response initiatives: the things we are doing as an immediate response to the sectors needs now
- supporting recovery and sustainability following Covid: supporting the sector and our organisation to be equipped for sustainable recovery.

Covid also impacted on the way in which we operated as a business during the year with all staff working remotely. Our annual business plan sets out in more detail the activities we identified to support the sector and our organisation during 2020-21, in light of Covid. Our performance was monitored and scrutinised by our Board and Welsh Government throughout the year on a quarterly basis.

## Our governance and accountability structure

In accordance with the 'International Framework: Good governance in the public sector' governance 'comprises the arrangements<sup>1</sup> put in place to ensure that the intended outcomes for stakeholders are defined and achieved'.

We have a governance framework which supports how we work. This is illustrated in the diagram below – our governance framework:



**Agreements:** data sharing protocols, memorandum of understanding

**Regulations/Legislation:** health and safety; equality; Welsh language; Freedom of Information; Data Protection Act; publication scheme

<sup>1</sup> Includes political, economic, social, environmental, legal, and administrative structures and processes, and other arrangements, as encapsulated in the principles define.



## Our Board and Committees

Our Chair and 14 Board members are responsible for providing us with leadership and direction. They work closely with the Executive Management Team to set our strategic and business plans, allocate our resources, and monitor our performance. Our work is scrutinised, steered, and approved by the Board and its sub-committees.

Due to Covid all Board and Committee meetings during 2020-21 were able to be held successfully virtually.

This diagram illustrates our Board and Committee structure as of 31 March 2021:

### Board

- Makes decisions on those matters reserved for the Board
- Provides leadership and direction by setting our strategic and business plan
- Scrutinises resources and performance – through regular business plan performance reports
- Sets the strategic direction of the organisation
- HR governance, policy, and employee engagement data by scrutinising our performance
- Demonstrates high standards of corporate governance – agreeing Board and committee terms of reference
- Received messages and advice from the Executive Management Team

### Audit and Risk Committee

#### Advises the Board on:

- the effectiveness of risk management, internal control and governance
- the integrity of the Annual Report and Accounts
- the adequacy of the response to issues that have been identified at audit assurances relating to the corporate governance requirements for the Board
- appointing internal audit provision and reviewing their effectiveness on an annual basis

### Improvement Committee

#### Advises the Board on:

- strategies and policies relating to principles for investment, improvement and national learning and development programmes
- the quality assurance of the research, development, and improvement programmes
- the implementation of the Regulation and Inspection of Social Care (Wales) Act 2016 and the Social Services and Well-being (Wales) Act 2014

### Regulation and Standards Committee

#### Advises the Board on:

- strategies and policies in relation to the registration of social care workers and fitness to practise matters
- the quality assurance of the regulation of training programme and receive regular reports on regulation matters
- the implications of developments in the field of regulation and how these may affect the Board's responsibilities
- the implementation of the Regulation and Inspection of Social Care (Wales) Act 2016

### Remuneration and Well-being Committee

#### Advises the Board on:

- matters relating to the review of the pay of the Executive Management Team, and consider the staff annual payment recommendations in line with our policy

## Opportunities to strengthen corporate governance

As an organisation that continuously wants to learn and improve the Board considered a range of opportunities to build upon the current corporate governance arrangements during 2020-21.

In July 2020 the Board agreed on opportunities to build and improve on our governance arrangements and the timelines for doing them. The following proposals have been progressed during 2020-21:

- rolling action logs used at all Board and Committee meetings
- creation of a Chairs Coordinating Group
- Chairs Action Process developed and to be used as and required
- expansion of Committee membership
- Remuneration Committee becoming an ad-hoc Committee with revised terms of reference
- new approach to Board members performance appraisal development record (PADR)
- initial discussions on the development of a board assurance framework.

## Board development and engagement

Board members continued their learning and development during the year with a series of seminars all held virtually. The topics of these seminars were:

- development of a stakeholder briefing outlining the key issues for social care and early years in Wales
- review and development of a new strategic plan; budgeting for the strategic plan with Grant Thornton as critical friends; review of the feedback from the consultation on the strategic plan
- a review of our approach to risk management
- updates on our approach to supporting our staff during the pandemic
- updates on our work in supporting the sector through the pandemic
- financial awareness training
- a session on board assurance frameworks from Audit Wales
- discussions on Welsh Government consultation on rebalancing social care.

## Board and Committee effectiveness

As a learning organisation, we regularly reflect on the effectiveness of our policies, processes, and meetings. During March 2021, the Board were asked to complete a wide-ranging questionnaire to inform actions for continuous improvement.

The survey questions related to:

- objectives, strategy, and remit
- relationships with key stakeholders
- performance and risk management
- the Boardroom
- suggestions for improving Board effectiveness.

The response rate to this survey was 73%, overall, the results were positive with the majority of responses either agree or strongly agree to the questions asked. The results were discussed at the April 2021 Board meeting to inform any improvements required going forward.

A similar questionnaire was also sent to Committee members to reflect on their effectiveness during January 2021, all Committee members were asked to complete a wide-ranging questionnaire to inform actions for continuous improvement.

The survey questions related to:

- membership, independence, objectivity and understanding
- skills
- the role and scope of the Committee
- communication and reporting
- meeting effectiveness.

The response rate to the survey for each committee ranged between 50 per cent and 90 per cent. The results were collated and presented to the Committees for discussion in their spring meetings and inform our development plan for the next financial year.

Meeting effectiveness also appears as a standing item on agendas for every Board and Committee meeting, and the chairs of each Committee and Board Secretary ask members for feedback during and after each meeting.

### **Members' attendance at Board and Committees**

Board members are paid the equivalent of two days' work a month. In addition to our 15 publicly appointed members we have several people who are co-opted onto our Committees:

- Daxa Varsani is an independent co-opted member, without voting rights, with a professional financial qualification and background who supports the Audit and Risk Committee.
- there is also a representative from Care Inspectorate Wales who sits on the Regulation and Standards Committee as a co-opted member.
- the Improvement Committee has two co-opted members, a representative from ADSS Cymru and Fiona Verity, Professor of Social Work and Social Care at Swansea University who brings a background in research to support the Improvement Committee.

The Standing Orders for the Board set out the expected attendance level for Board members at meetings at 60 per cent. This table shows members' attendance at Board and Committee meetings during 2020-21.

To assist members in making effective decisions, papers for every Board and Committee meeting are posted onto a digital portal, with a wide range of supporting technical documents.

Name	Committee membership	Attendance at Board meetings (out of 5)	Attendance at Board development sessions (out of 8)	Attendance at Committee meetings	Overall meeting attendance (inc. Committees)	Term of appointment ends
Mick Giannasi (Chair)		5	8		13/13 <b>100%</b>	31.07.23
Abigail Harris	Improvement, Audit & Risk	4	5	6/7	15 / 20 <b>75%</b>	31.03.25
Daxa Varsani	Audit and Risk	n/a	n/a	4/4		30.04.23
Carl Cooper	Audit and Risk; Improvement;	5	7	9/9	21 / 22 <b>95%</b>	31.03.25
Damian Bridgeman	Improvement (Deputy Chair), Audit & Risk	5	7	6/7	18 / 20 <b>90%</b>	31.03.24
Donna Hutton	Regulation and Standards; Remuneration and Wellbeing; Improvement	4	6	6/9	16 / 22 <b>73%</b>	31.03.24
Emma Britton	Audit and Risk (Deputy Chair); Regulations and Standards	5	4	7/7	16 / 20 <b>80%</b>	31.03.25
Grace Quantock	Regulation and Standards (Deputy Chair); Audit and Risk	5	5	6/7	16 / 20 <b>80%</b>	31.03.25
Jane Moore	Improvement; Remuneration and Wellbeing; Regulation and Standards	5	8	9/9	22 / 22 <b>100%</b>	31.03.24
Joanne Kember (Deputy Chair)	Regulation and Standards; Remuneration and Wellbeing; Improvement	5	8	9/9	22 / 22 <b>100%</b>	31.03.25
Kate Hawkins	Audit and Risk; Regulation and Standards	5	7	7/7	19 / 20 <b>95%</b>	31.03.22
Maria Battle	Remuneration and Wellbeing; Improvement	3	5	2/5	10 / 18 <b>56%</b>	30.06.23
Peter Max	Improvement (Chair); Audit and Risk	5	7	7/7	19 / 20 <b>95%</b>	31.03.24

Name	Committee membership	Attendance at Board meetings (out of 5)	Attendance at Board development sessions (out of 8)	Attendance at Committee meetings	Overall meeting attendance (inc. Committees)	Term of appointment ends
Rhian Watcyn Jones	Audit and Risk (Chair)	5	7	4/4	16 / 17 <b>94%</b>	31.03.22
Simon Burch	Regulation and Standards (Chair)	5	8	4/4	17 / 17 <b>100%</b>	31.03.24
Trystan Pritchard	Audit and Risk; Regulation and Standards	5	7	7/7	19 / 20 <b>95%</b>	30.06.23

## Effectiveness of our governance framework

Covid has had a major impact on the social care and early years sector. It also had a major impact on all our functions. From moving all our staff to home working whilst also maintaining strong governance and control. Our response to Covid aims to recognise the agility and pace at which the response is needed whilst it is important that the Board receive assurances that there are proportionate safeguards in place to ensure there is regularity, propriety, feasibility and value for money in the use of public funds.

The Board received papers in April 2020 and January 2021 reporting on our response to Covid. This included our Covid decision register; our Covid strategic risk register; our response to support the sector during Covid; and actions taken to support the health and wellbeing of our workforce during Covid.

During Covid I have held fortnightly staff briefings to share decisions made by the Board and Executive team, to update on our performance and to provide an opportunity for questions from staff members. I have also met with the Board members on a frequent basis to keep them informed of activities of the organisation in responding to the pandemic.

We have been capturing our learning from working in Covid from the start. We have been sharing our learning with other public bodies and also learning from other organisations on good practice.

Throughout the year I receive assurance that our business and strategic objectives are being met via internal management meetings, budget and performance reports, and project updates. I operate a 'virtual open door policy' where any member of staff can contact me with any matter that may concern them. I also promote the Staff Partnership Council and Staff Forum as a way of making sure we clearly engage with staff about our priorities across the organisation.

We use a scheme of delegation and financial instructions to carry out our work to make sure our decision making is appropriate and proportionate to the level of risk associated with it.

We also maintain and review registers of interest for employees and Board members to identify any potential or perceived conflict with our decision-making processes, so we can take steps to mitigate them.

## Internal audit

The Internal audit plan has been based on a risk-based approach and was agreed by the Audit and Risk Committee. Our internal auditors submit regular reports about the adequacy and effectiveness of our systems (financial, corporate and workforce regulation) of internal control, together with recommendations for improvement.

During 2020-21, 10 internal audits were carried out on our policies and procedures for:

Work area	Level of assurance
Financial systems: <ul style="list-style-type: none"> <li>• Purchasing and payments</li> <li>• General ledger</li> </ul>	Moderate assurance Substantial assurance
Grant management	Substantial assurance
Corporate Governance	Substantial assurance
Risk management	Moderate assurance
HR	Moderate assurance
Welsh language standards	Moderate assurance
Apprenticeship certification	Substantial assurance
Workforce Regulation (remote hearings)	Moderate assurance
Workforce Regulation – Applications for registration	Substantial assurance

### Definitions of assurance level

**Substantial:** There is a reasonable framework of governance, risk management and control, which should make sure that objectives are achieved

**Moderate:** Some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control

The Head of Internal Audit, based on the audit work carried out during the year, concluded we had a sound system of internal control, which should provide substantial assurance that will be able to achieve our objectives.

## External audit

We receive an Audit of Financial Statements Report and Management letter, which reports on issues that are picked up during the audit of our financial statements.

## Risk management

Our positive approach to risk management means we not only look at the risk of things going wrong, but the impact of not taking opportunities or not capitalising on corporate strengths.

Our strategic risk register is reviewed every month by our Executive Management Team and is subsequently scrutinised by the Audit and Risk Committee. The Board also reflected on our Risk Management Policy during a Board development session in January 2021 with a revised Risk Management Policy being developed for Board approval during 2021-22.

As part of our response to Covid we developed a specific risk register that reflects the risks specifically associated to the pandemic and our initial response in supporting the social care and early years sector in responding to Covid. Audit and Risk Committee reviewed the Covid risk register at its meeting in June 2020. Following the June Committee meeting a number of those risks have been moved over to Strategic Risk Register as we recognise that we are now living with Covid.

Our main strategic risks during 2020-21:

Risk title	Inherent	March 2021
<p>If we do not continue to keep the sector engaged in the work of Social Care Wales then we start to lose credibility and not deliver our overall ambition, as we cannot achieve this in isolation.</p> <p>The sector is not engaged in our role and remit.</p> <p><b>Update:</b> Many planned activities have been postponed, as the sector has been unable to contribute, due to operational pressures arising from Covid. These activities have been carried forward into our business plan for 2021-22</p>	Medium	Medium
<p>If we do not demonstrate how we are contributing to making a positive difference to the care sector, then we will lose credibility.</p> <p>We are unable to manage the expectations of the sector, stakeholders (including Welsh Government) and the public.</p> <p><b>Update:</b> We are currently reviewing our strategic plan, following a consultation on our future priorities in late 2020. Feedback is informing a new strategic plan, to be implemented from April 2022.</p>	Medium	Low

Risk title	Inherent	March 2021
<p>If Welsh Government remove, or significantly reduce the funding for Level 2 apprenticeships, then it will reduce the amount of funding to support the achievement of qualifications in the sector. This will have an impact on the ability to provide learning and increase qualification levels of the workforce.</p> <p>Welsh Government currently provides public funding for Level 2 qualifications via apprenticeships, the policy is still to remove this, but our ongoing discussions have brought some reassurance that it will remain, until the next Senedd elections in 2021. The social care and early years workforce have had a high uptake of apprenticeships in Wales, with about 2500 learners completing at Level 2 in 2017-18.</p> <p>As part of the registration of the domiciliary care workforce individuals will need to have a Level 2 qualification at the point of re-registration, but public funding to support this achievement may be more difficult to access.</p> <p>The increased size and therefore costs of the new level 2 qualifications launched in September 2019 could add to this risk as there is the same amount of money spread more thinly.</p> <p><b>Update:</b> We continue to work with Welsh Government colleagues to secure sustainable funding for social care apprenticeships</p>	High	Medium
<p>If the qualifications are not fit for purpose, then they will not meet the requirements for high quality care and support in the social care and early years sector.</p> <p>The programme of work in relation to developing the new qualifications is complex and significant with a number of risks associated to the successful delivery of the work.</p> <p><b>Update:</b> There have been further implementation challenges for placements and assessments, as a direct impact of Covid.</p>	Medium	Medium
<p>If we don't have on-going confirmation of existing budget allocations to meet what is expected from the current and future Government term of office work programme then we will not be able to deliver our remit in future including statutory responsibilities and areas of Government priorities (such as the workforce strategy, workforce wellbeing, balancing rights and responsibilities and the data strategy).</p> <p><b>Update:</b> We have been working with our Welsh Government sponsor team on our future financial scenarios, following an independent assessment of our strategic plan and required resource levels.</p>	High	High
<p>If we don't manage competing Welsh Government priorities and ensure that any new work is within our scope and purpose then we could result in over committing our resources to deliver, extend our remit beyond our scope and lose our identity and unique purpose.</p> <p><b>Update:</b> We revised our priorities to better support the sector during Covid, in agreement with Welsh Government.</p>	High	Medium

Risk title	Inherent	March 2021
<p>If we don't refresh and reform our regulatory processes, then the additional resources required will undermine our organisational stability and undermine work across our objectives, as well as missing the opportunity to link regulation with improvement more closely. If our changes are not supported by the sector and Welsh Government policy, we could struggle to deliver effective change and destabilise the sector.</p> <p><b>Update:</b> We have commissioned independent expertise to critically review our regulatory processes, to inform continuous improvement. Recommendations from this work will be implemented as part of our business in 2021-22</p>	High	Medium
<p>If we don't remain engaged with 'A Healthier Wales' and maintain key relationships with Welsh Government and critical stakeholders (HEIW, PHW etc) then this could impact on key deliverable priorities resulting in social care not being rebalanced within the ambition of 'A Healthier Wales' and lose confidence if we do not deliver against expectations.</p> <p><b>Update:</b> The Joint Workforce Strategy was launched by Ministers in October 2020, with a winter implementation plan agreed in December 2020.</p>	High	Medium
<p>If we are unable to reappoint our Board members who also served as Care Council Members then we will lose 3 key, experienced and knowledgeable Members from April 2021. We will not be able to fill these vacancies in a timely manner. We will have a gap at a time when we require stability, continuity and strong leadership at Board level to support the social care and early years sector responding to the Covid pandemic.</p> <p>Due to the change of advice on Council members terms of appointment and their length of service not being re-set as new Social Care Wales Board members there is a possibility that 3 of our 15 Board Members terms could be ending on the 31 March 2021.</p> <p><b>Update:</b> 12 Board members have been reappointed on a staggered 1, 3 and 5 year terms.</p>	Medium	Medium
<p>If we are not clear on the implications of the end of the transition period on exiting the EU (Brexit) for the social care and early years sector, then we will not be in a position to provide additional support and clear guidance to the sector during this period.</p> <p>With the changes to the migration rules, supply chains of equipment to the sector and data sharing regulations across the UK and EU (and the US) then there may be direct and indirect implications for the sector in relation to recruitment, equipment and supplies.</p> <p><b>Update:</b> We remain linked into Welsh Government advisors to monitor and understand consequences for Wales. We are actively promoting the EU Settled Status Scheme to care providers in Wales. We are confident that our regulatory processes have not been affected in any significant way.</p>	Medium	Medium

Risk title	Inherent	March 2021
<p>If we do not respond accordingly to the Covid pandemic, then we will not be supporting the social care sector in helping them deliver front line care and support during the pandemic.</p> <p><b>Update:</b> We revised our business plan to respond directly to the needs of the sector, with board approval secured for an agile approach to delivery.</p>	Medium	Medium
<p>If we do not demonstrate how we are supporting the health and wellbeing of the social care and early years, then there will be an impact on the sustainability of the workforce.</p> <p><b>Update:</b> We established a Health and Wellbeing network and have commissioned an Employee Assistance Scheme.</p>	Medium	Medium
<p>If we don't support our own workforce (Social Care Wales) during this time, then we will not be an effective and efficient organisation where staff health and wellbeing is at the centre of how we work.</p> <p><b>Update:</b> We established a Business Continuity Group to help people work remotely at home, using virtual technologies. We developed a Health and Well-being group with additional resources to support people.</p>	Medium	Medium
<p>Working remotely has increased the risk of cyber fraud, hacking and scamming. Therefore, putting vulnerabilities within our IT network and opportunities for fraud.</p> <p><b>Update:</b> Government advice and training to reduce cyber fraud has been implemented. IT systems have been strengthened.</p>	Medium	Medium
<p>Welsh Government may delay the extension of the register, which would impact on the income received during 2021-22.</p> <p><b>Update:</b> We are in regular dialogue with officials to understand the Ministers' intentions. We anticipate a view from the Government before the pre-election period.</p> <p>We are considering the impact on our business planning assumptions and will work with officials to agree any changes to delivery, once we know the remit letter and budget commitments.</p>	High	High

We measure our operational risks in line with the recommendations of HM Treasury's Orange Book. Our senior management reviews the register of these risks every month.

## Information governance and security

As a data controller registered with the Information Commissioner's Office (ICO), we ensure we have information governance controls in place to keep the data we collect and process secure and in line with current data protection legislation and are open and transparent with our decision making.

During 2020-21:

- We recorded 23 data incidents: 3 were errors by a third party, 5 were software or server issues, 2 were spam or cyber-attacks and the remaining 13 had a root cause as either human error or a staff training and awareness issue. Looking ahead, we will analyse the 'human error' element further and determine whether there were any additional factors we should be aware of as an organisation, for example working remotely or increased workload.
- We made the ICO aware of 5 of the above incidents, but while no further action was required by the ICO, we made recommendations for improvement in practice to reduce the likelihood of a similar incident reoccurring.
- We responded to 13 requests under the Freedom of Information Act, all responded to within 20 working days. This was a minor increase on last year (11 requests).
- We received 8 Subject Access Requests under the Data Protection Act (DPA) 2018, all fulfilled within the 30-day period which was an increase of 3 from the previous year.
- Following last year's data protection gap analysis review, we embedded a number of processes to support our information governance framework and DPA compliance including completing Data Protection Impact Assessments as part of our project management and procurement procedures to ensure our services are designed with data security in mind. We also undertook a data mapping exercise and regularly updated our privacy notices to ensure we are transparent with our customers on what data we process and why.
- In January 2021 our 3 year audit on our ISO 27001 certification was carried out in Cardiff with 5 major and 5 minor non-conformities. Following this audit we addressed the non-conformities identified. Since then we have put in place additional and clear assurance channels within the organisation – from information on the certification being scrutinised at Audit and Risk Committee to an internal governance group embedding ownership on information governance and security across the organisation - to continue to strengthen our information governance approach and certification for the standard.

## Customer service

We aim to provide our customers with the best experience possible, but we are aware we can always learn from feedback. During 2020-21 we received 5 formal complaints under our complaints policy. Of these, two stemmed from frustration with legislative or national policy decisions, two were attributed to staff not following correct procedures and were addressed and one was an error by the complainant. In all cases the complaints highlighted opportunities for us as an organisation to test our decision making involvement, our administration procedures and communication methods to learn from and improve the services we provide.

We also made use of 'quick-resolution' complaints data, such as feedback on the SCWonline portal and

our fitness to practise referrals, in our project scoping for enhancing our digital services and reviewing our Fitness to Practise procedures.

## Whistleblowing

### Internal

All Social Care Wales staff are encouraged to raise issues of concern about wrongdoing that come to their attention while at work. I regard the internal identification of wrongdoing as an important contribution to managing corporate risk and ensuring good governance.

We have established internal whistleblowing policy and procedures which reflects the provisions of the Public Interest Disclosure Act 1998 and sets out a mechanism for staff for raising such matters.

In 2020-21 no staff raised a concern under our Whistleblowing Policy as was the case in 2019-20.

### External

We are listed under The Prescribed Persons Order 2014 as a designated organisation that any worker in the social care sector can approach to report suspected or known wrongdoing. This is also known as 'whistleblowing' or making a disclosure.

As a prescribed person, we have several duties, which are set out in guidance from the Department of Business, Energy and Industrial Strategy (BEIS), one of which is to annually report on the number of whistleblowing disclosures we receive.

For each referral received we consider the information received and in the cases of the 4 received during the year 3 did not comply with the definition of whistleblowing under the regulations, 1 complaint is ongoing and falls within the category of whistleblowing. However, if we do not have enough information to open a case, and if the individual agrees to it, we share any relevant evidence with other agencies and log any actions taken. The information remains in our case management system and if more evidence becomes available later, the Fitness to Practise team will make an assessment about opening a case.

### Sue Evans

Chief Executive and Accounting Officer

Date: 21 July 2021

# Remuneration and staff report

## Remuneration report

### Pay policy statement

This is Social Care Wales's pay policy statement for the period 1 April 2020 to 31 March 2021.

This pay policy statement provides the framework for decision making on pay and decision making on senior pay.

### Chief Executive Officer

The Chief Executive Officer and Accounting Officer for Social Care Wales is Sue Evans and was in receipt of a salary of £118,478 per annum in 2020-21. The gross salary cost of the Chief Executive in the period 2020-21 was £168,685 which includes Employers National Insurance and Employers Pension costs.

### The Board

The Board comprises of 15 Board Members led by a lay Chair Mick Giannasi. All have been appointed by the Minister, through the Public Appointments process. The remuneration of the Board members is non-pensionable and is determined by Welsh Government. For enhanced transparency, the remuneration of the Chair of Social Care Wales is disclosed in this report. Board members are remunerated £282 per day and committed to two days a month.

### Social Care Wales staff

All members of staff are employed by Social Care Wales on such terms and conditions as the Board determines. Remuneration of all members of staff are in line with the organisations scheme for staff pay and grading arrangements that was approved by the Welsh Government in 2004 and applies equally to all staff members.

These arrangements include a salary scale with incremental salary progression during the early years of employment, and a non-consolidated award based on organisational performance. Payment of the Corporate Performance Award was suspended in 2010-11 and consequently no bonuses have been paid since 2009-10.

The pay award is subject to discussion with Staff Council and approval by the Social Care Wales Remuneration Committee and the Welsh Government annually. When determining pay strategies, the Board considers the:

- need to recruit, retain and motivate suitably able, qualified and high-calibre people
- overall affordability
- pay practices in the wider public sector and comparator organisations
- relevant legal obligations including equality and anti-discrimination requirements.

The following sections in the Remuneration and Staff Report are subject to audit.

## Senior pay remuneration

Officials	Salary (£'000)*		Pension benefits (£)		Total (£'000)	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
<b>Chair</b> Arwel Ellis-Owen (to 31 July 2019)	N/A	10-15	N/A	N/A	N/A	10-15
<b>Chair</b> Mick Giannasi (from 1 August 2019)	30-35	20-25	N/A	N/A	30-35	20-25
<b>Chief Executive</b> Sue Evans	115-120	115-120	36,900	32,500	155-160	145-150
<b>Director of Corporate Services &amp; Strategy</b> Joanne Oak (to 1 May 2020)	5-10	75-80	(1,400)	22,600	5-10	95-100
<b>Director of Finance, Strategy and Corporate Services</b> Andrew Lycett (from 2 November 2020)	25-30	N/A	9,400	N/A	35-40	N/A
<b>Director of Improvement and Development</b> Sarah McCarty	75-80	75-80	26,300	21,100	100-105	95-100

\*Included in salary where applicable are any taxable travel and subsistence allowances in accordance with our travel and subsistence scheme.

\*\* Not included in the table above is the senior pay remuneration of the Director of Regulation as he is seconded into the post

The senior pay remuneration of David Pritchard the Director of Regulation is not disclosed above as he is seconded into the post from Welsh Government. The total charge from Welsh Government was £126,030 (2019:2020 £116,475 for the period 29 April 2019 to 31 March 2020) which included Employers National Insurance, Employers Pension and unrecoverable VAT. The pay scales of Social Care Wales are applicable to the seconded Director of Regulation and his salary is in the pay band of £75,000-£80,000(2019:20 £75,000- £80,000)

The amount of pension benefits for the year which contributes to the single total figure is calculated in a similar way to the method used to derive pension values for tax purposes and is based in information received from our actuaries.

The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation or any increase or decreases due to a transfer of pension rights.

This is not an amount which has been paid to an individual by Social Care Wales during the year; it is a calculation which uses information from the pension benefit table. These figures can be influenced

by many factors e.g. changes in a person's salary, whether or not they choose to make additional contributions to the pension scheme from their pay and other valuation factors affecting the pension scheme as a whole.

Salaries consist of gross pay and pay awards agreed by the Welsh Government.

No members of staff responsible for decision making received benefits in kind from Social Care Wales, and a scheme for the provision of motor vehicles to staff or members is not operated.

<b>Pension entitlements of Directors</b>	<b>Total accrued pension at 31 March 2021</b>	<b>Real increase in pension at 31 March 2021</b>	<b>Total accrued lump sum at 31 March 2021</b>	<b>Real increase/ (decrease) in lump sum at 31 March 2021</b>	<b>CETV at 31 March 2021</b>	<b>CETV at 31 March 2020</b>	<b>Real increase/ decrease in CETV in 2020-21</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Chair</b> Mick Giannasi	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Chief Executive</b> Sue Evans	20-25	2.5-5.0	-	-	437	378	58
<b>Director of Corporate Services and Strategy</b> Joanne Oak (to 1 May 2020)	15-20	0-2.5	-	-	206	199	6
<b>Director of Finance, Strategy and Corporate Services</b> Andrew Lycett (from 2 November 2020)	0-5	0-2.5	-	-	8	N/A	8
<b>Director of Improvement and Development</b> Sarah McCarty	20-25	0-2.5	15-20	0-2.5	259	234	24

\* The pension entitlements of the existing Director of Regulation is not included as he is seconded into his post.

The Chief Executive is an ordinary member of the Social Care Wales pension scheme. The Chair does not participate in the pension scheme.

The Cash Equivalent Transfer Value is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. It is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension scheme, or arrangement when a member leaves a scheme and chooses to transfer the pension benefits they have accrued in their former scheme.

The pension figures shown related to the benefits that the individual has accrued as a consequence of their total membership of the scheme, not just their service in a senior capacity to which disclosure

applies. The CETV figures and other pension details include the value of any pension in another scheme or arrangement which the individual has transferred. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

The real increase in the value of the CETV reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee, including the value of any benefits transferred from another pension scheme or arrangement, and uses common market valuation factors from the start and end of the period.

### Fair Pay disclosure

Median remuneration	2020-21	2019-20
Highest earner's total remuneration (£'000)	115-120	115-120
Median total remuneration	£34,555	£31,562
Ratio	3.4	3.7
Range of total remuneration	£20,780-£118,478	£20,272-£115,143

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

The banded remuneration of the highest paid director in Social Care Wales in the financial year 2020-21 was £115,000-£120,000 (2019-20: £115,000-£120,000). This was 3.4 times (2019-20: 3.7 times) the median remuneration of the workforce, which was £34,551 (2019-20: £31,562).

Total remuneration is the salary cost only and does not include employer pension contributions and the cash equivalent transfer value of pensions.

Remuneration ranged from £20,780 to £118,478 (2019-20: £20,727 to £115,143).

## Staff report

Staff costs	2020-21					2019-20
	Total costs	Permanent employed staff	Temporary staff and secondees	Chair and Board members	Panel members	Total costs
	£'000	£'000	£'000	£'000	£'000	£'000
Salaries and wages	4,956	4,517	162	129	148	4,499
Social security costs	462	458	-	3	1	425
Other pension costs	1,409	1,409	-	-	-	1,592
Apprenticeship levy	9	9	-	-	-	7
<b>Sub total</b>	<b>6,836</b>	<b>6,393</b>	<b>162</b>	<b>132</b>	<b>149</b>	<b>6,523</b>
Less recoveries in respect of outward secondments	(50)	(50)	-	-	-	(19)
<b>Total net costs</b>	<b>6,786</b>	<b>6,343</b>	<b>162</b>	<b>132</b>	<b>149</b>	<b>6,504</b>

Consistent with guidance, employment costs include payments made in respect of contract staff. The total cost of salaries excluding other pension costs was £5,377k (£6,786k-£1,409k) in 2020-21 in comparison to £4,912k (£6,504k-£1,592k) in 2019-20.

Other pension costs totalling £1,409k are the service costs (current and past) of the scheme and in addition any pension costs in relation to the increase in the holiday accrual. The £1,409k consists of employer contributions based on payroll of £1,268k, lump sum deficit payments of £113k and costs in relation to the holiday pay accrual of £18k. The residual difference of £10k (£310k in 2019-20) is the increased charge which is required to increase the actual contributions paid with the service cost required to be charged under International Accounting Standard (IAS 26). The increased charge in 2020-21 relates to £10k in current service charges. In 2019-20 the £1,592k consisted of employer contributions of £1,282k but increased by £310k as noted above.

Staff numbers - WTE	2020-21			2019-20 restated
	Total No	Permanent No	Other No	Total No
Chief Executive and Directors	4	3	1	4
Workforce regulation	53	53	0	50
Improvement and development	34	33	1	32
Corporate services and IT	33	33	0	33
<b>Total</b>	<b>124</b>	<b>122</b>	<b>2</b>	<b>119</b>

The table above represents the average number of whole-time equivalent persons employed during the year. The previous years figures have been restated to reflect changes in relation to how our Student Funding, Carreg Team and Data teams are classified.

## Staff composition

As at the 31st March 2021 of the workforce of 137, 101 (74%) were women and 36 (26%) were men. In comparison as at the 31st March 2020 of the workforce of 129, 94 (73%) were women and 35 (27%) were men.

Included in these numbers are the Senior Management Team which consists of the Chief Executive and three directors. Of the Senior Management Team two were women (50%) and two were men (50%) this differs from the position at 31st March 2020, which was, three women (75%) and one man (25%).

Staff composition by job family is as follows:-

Staff composition by job family	Female	Male	Total	Female	Male
Executive team	2	2	4	50%	50%
Senior leadership team	4	3	7	57%	43%
Management team	21	11	32	66%	34%
Technical and development team	32	12	44	73%	27%
Support team	42	8	50	84%	16%
<b>Totals</b>	<b>101</b>	<b>36</b>	<b>137</b>	<b>74%</b>	<b>26%</b>

## Sickness absence data

The level of staff sickness during 2020-21 was 2.38% (2019-20: 3.74%) which is based on 722 days lost out of 30,286 days.

## Staff policies, equality and diversity

Social Care Wales has 'Investors in People' status and its human resource policies reflect best practice as part of its commitment as a learning organisation. We recognise and value diversity and ensure that all our employment practices and programmes of work embed and demonstrate not just our public duty as set out by the Equalities Act but embraces equality and diversity as a core value underpinning all functions and the delivery of high quality services of our workforce and the sector. We will ensure that in all our work we fully embed a human rights approach. Social Care Wales through its remit, promotes and influences the importance of language choice for service users and sensitivity of language within the social care workforce. We have a leadership role in the delivery of the Welsh Government's More than Just Words - Strategic Framework for Welsh Language Services in Health, Social Services and Social Care. As an employer we are a truly bilingual organisation providing an environment which nurtures and develops staff to learn and improve their bilingual skills and own the bilingual ethos of the organisation.

We also have a responsibility to uphold the conventions set out in the Human Rights Act 1998. We are committed to providing a work environment that values the diversity of all people, both our own

staff and those we come into contact during our work, and we fully support the rights of people to be treated with dignity and respect.

We are committed to making sure equality and openness in our pay and grading arrangements. When we considered our Equal pay report in September 2020 we found no evidence of pay discrimination on the grounds of any protected characteristics. We also considered our gender pay gap, which based on our staff at 31 March 20, stood at 23.52% (median). This has increased since we considered it back in 2018-19 (15.58%) and is currently higher than the UK average. This is explained by overrepresentation of women in the lower paid grades.

## Employee voice

During 2020-21 our Staff Partnership Council has had a crucial role to play in collecting and feeding back the views of staff on significant issues including the restructure and key policies. This has been achieved through regular staff forums, meeting with teams individually and producing feedback documents to HR and the Executive Management Team.

## Support and wellbeing

Our Employee Assistance Programme(EAP) is provided by Care First as part of the National Procurement Service (NPS) Occupational Health and Associated Services Framework.

As part of this framework we are able to utilise the following services:

- Access for all our staff to a 24-hour, 7 day a week telephone counselling service
- Face to face counselling
- On-Line resources

EAP statistics are provided for the calendar year (January 2020 – December 2020). The figures show that:

17 calls were made to the EAP telephone line in total, with 11 of these made between October and December.

An additional 9 people accessed online services and information.

Of the 17 calls, nine of these were new contacts (people who had not used the EAP previously).

The issues presented were a mixture of personal (14) and work related (9). Three were categorised as 'information specialist', whereby individuals have contacted the service to access information relating to a particular subject.

In 2021-22 we will continue to actively promote the service through a variety of forums and communications.

## Flexibility and benefits

- 19% of our workforce work part time (less than 36 hours a week).
- The childcare voucher scheme has now closed to new entrants, with two active members as at 31 March 2021.

## Expenditure on consultancy

Any consultancy costs in relation to expert opinion obtained to assist in business decision making are included in Administration costs (Professional Fees) in the financial statements. In 2020-21 these consultancy costs amounted to £28k (2019-20:£34k).

## Off-payroll engagements

In 2020-21 Social Care Wales has acted in accordance with Dear Accounting Officer letter 1/14 in relation to Tax Arrangements of Public Sector Appointees and no "off payroll" engagements are required to be reported.

## Exit packages

One exit package was agreed in 2020-21 and the cost of the package fell in the range of £25,000-£50,000 and is included in Salary Costs in the 2020-21 financial statements. This related to a staffing matter that was identified for which due process was followed and actions taken to mitigate financial and reputational risks for Social Care Wales.

## Accountability and audit

### Regularity of expenditure

All expenditure in 2020-21 has been dealt with in accordance with any relevant legislation, the Governance Statement agreed with Welsh Government and Managing Welsh Public Money.

### Fees and charges

Registration Fee income for the financial year 2020-21 was £1,155k (2019-20: £978k). As agreed by Welsh Government the fees received does not cover the full cost of registration and the excess cost is therefore funded by Grant in Aid.

Following a formal consultation (Transforming Care in the 21st Century) undertaken on the regulation of the care and support workforce, fee levels were increased from 1st April 2018. The increased fee does not cover the full cost of registration and the excess cost continues to be funded by Grant in Aid.

### Remote Contingent Liabilities

Social Care Wales is not aware of any remote contingent liabilities.

### Long-expenditure trends

With the registration of new groups there will be a gradual increase in expenditure. The income to fund this increased expenditure will be funded from the increased and additional fees from registrants and additional funding will be required from Welsh Government.

#### **Sue Evans**

Chief Executive and Accounting Officer

Date: 21 July 2021

# The Certificate and independent auditor's report of the Auditor General for Wales to the Senedd

## Report on the audit of the financial statements

### Opinion on financial statements

I certify that I have audited the financial statements of Social Care Wales for the year ended 31 March 2021 under the Regulation and Inspection of Social Care (Wales) Act 2016 and paragraph 16 of Part 6 of Schedule 2. These comprise the Statement of comprehensive net expenditure, the Statement of financial position, the Statement of cash flows, the Statement of changes in taxpayers equity and related notes, including a summary of significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards as interpreted and adapted by HM Treasury's Financial Reporting Manual.

In my opinion the financial statements:

- give a true and fair view of the state of Social Care Wales affairs as at 31 March 2021 and of its net expenditure, for the year then ended;
- have been properly prepared in accordance with international accounting standards as interpreted and adapted by HM Treasury's Financial Reporting Manual; and
- have been properly prepared in accordance with Welsh Ministers directions issued under Regulation and Inspection of Social Care (Wales) Act 2016 and paragraph 16 of Part 6 of Schedule 2.

### Opinion on regularity

In my opinion, in all material respects, the expenditure and income in the financial statements have been applied to the purposes intended by the Senedd and the financial transactions recorded in the financial statements conform to the authorities which govern them.

### Basis of opinions

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the body in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinions.

### Conclusions relating to going concern

In auditing the financial statements, I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this report.

### **Other information**

Legislation and directions issued to Social Care Wales do not specify the content and form of the other information to be presented with the financial statements. The Accounting Officer is responsible for the other information in the Annual Report. The other information comprises the information included in the Performance Report and the Accountability Report other than the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon. My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

## **Report on other requirements**

### **Opinion on other matters**

As legislation and directions issued to Social Care Wales do not specify the content and form of the other information to be presented with the financial statements, I am not able to confirm that the Performance Report and the Accountability Report have been properly prepared in accordance with guidance.

In my opinion, based on the work undertaken in the course of my audit, the information given in the Performance Report and Accountability Report is consistent with the financial statements.

Although there are no legislative requirements for a Remuneration Report, Social Care Wales has prepared such a report and, in my opinion, that part ordinarily required to be audited has been properly prepared in accordance with HM Treasury Guidance.

### **Matters on which I report by exception**

In the light of the knowledge and understanding of the body and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report and the Accountability Report.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my team;
- the financial statements and the audited part of the Remuneration Report are not in agreement with the accounting records and returns;
- information specified by Welsh Ministers regarding remuneration and other transactions is not disclosed; or
- I have not received all of the information and explanations I require for my audit.

## Responsibilities

### Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for preparing the financial statements in accordance with the Regulation and Inspection of Social Care (Wales) Act 2016 and paragraph 16 of Part 6 of Schedule 2 and Welsh Minister directions made there under, for being satisfied that they give a true and fair view and for such internal control as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Accounting Officer is responsible for assessing the body's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

### Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

My procedures included the following:

- Enquiring of management and those charged with governance including obtaining and reviewing supporting documentation relating to Social Care Wales's policies and procedures concerned with:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following

areas: revenue recognition, posting of unusual journals and bias when calculating accounting estimates.

- Obtaining an understanding of Social Care Wales's framework of authority as well as other legal and regulatory frameworks that the Social Care Wales operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of Social Care Wales.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management and the Audit and Risk Committee about actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance and the Board;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the Social Care Wales's controls, and the nature, timing and extent of the audit procedures performed.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my auditor's report.

### **Responsibilities for regularity**

The Accounting Officer is responsible for ensuring the regularity of financial transactions. I obtain sufficient evidence to give reasonable assurance that the expenditure and income have been applied to the purposes intended by the Senedd and the financial transactions conform to the authorities which govern them.

### **Report**

I have no observations to make on these financial statements.

Adrian Crompton  
**Auditor General for Wales**  
 22 July 2021

24 Cathedral Road,  
 Cardiff,  
 CF11 9L

The maintenance and integrity of Social Care Wales' website is the responsibility of the Accounting Officer; the work carried out by auditors does not involve consideration of these matters and accordingly auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

## Financial statements

Statement of comprehensive net expenditure for the year ended 31 March 2021	Note	2020-21 £'000	2019-20 £'000
<b>Expenditure</b>			
Staff costs	14	6,786	6,504
Programme expenditure			
Training support and other grants	4(i)	11,240	11,238
Non grant programme expenditure	4(ii)	2,400	1,901
Administration costs	5	1,177	1,385
Depreciation and amortisation	1(ix)	191	209
Pension interest charge	15	30	-
		<b>21,824</b>	<b>21,237</b>
<b>Income</b>			
Income from activities			
Registration fee income	1(iii)	1,155	978
Other income			
Apprenticeship certification	1(iv)	73	132
Work Welsh		-	156
Mental health workforce		24	-
Sundry income		6	11
Pension interest credit	15	-	30
		<b>1,258</b>	<b>1,307</b>
Net expenditure		<b>20,566</b>	<b>19,930</b>
Interest receivable	3(i)	1	4
Interest surrenderable to the Welsh Government	3(ii)	(1)	(4)
Net expenditure after interest		<b>20,566</b>	<b>19,930</b>
<b>Other comprehensive expenditure</b>			
Actuarial remeasurement	15	340	2,180
<b>Total comprehensive expenditure for the year ended 31 March 2021</b>		<b>20,906</b>	<b>22,110</b>

The notes on pages 54 to 75 form part of these accounts.

Statement of financial position as at 31 March 2021	2021			2020
	Note	£'000	£'000	£'000
<b>Non-current assets:</b>				
Property, plant and equipment	6	276		215
Intangible assets	7	322		349
<b>Total non-current assets</b>			598	564
<b>Current assets:</b>				
Trade and other receivables	9	665		629
Cash and cash equivalents	10	368		248
<b>Total current assets</b>			1,033	877
<b>Total assets</b>			<b>1,631</b>	<b>1,441</b>
<b>Current liabilities</b>				
Trade and other payables	11	(474)		(525)
<b>Total current liabilities</b>			(474)	(525)
<b>Total assets less Current liabilities</b>			<b>1,157</b>	<b>916</b>
<b>Non-current liabilities</b>				
<b>Pension liabilities</b>	15	(2,350)		(1,970)
<b>Total non-current liabilities</b>			(2,350)	(1,970)
<b>Assets less liabilities</b>			<b>(1,193)</b>	<b>(1,054)</b>
<b>Reserves</b>				
General reserve			1,157	916
Pension reserve			(2,350)	(1,970)
<b>Total</b>			<b>(1,193)</b>	<b>(1,054)</b>

Notes on pages 54 to 75 form part of these accounts.

The financial statements on pages 50 to 51 were approved by the Board of Social Care Wales on the 15 July 2021 and were signed on its behalf by:

**Sue Evans**

Chief Executive and Accounting Officer

Date: 21 July 2021

<b>Statement of cash flows</b> for the year ended 31 March 2021	<b>Note</b>	<b>2020-21</b> <b>£'000</b>	<b>2019-20</b> <b>£'000</b>
<b>Cash flows from operating activities</b>			
Net expenditure after interest		(20,566)	(19,930)
Adjustment for depreciation and amortisation		191	209
Adjustment for pension finance costs(net)		40	280
(Increase) in trade and other receivables		(36)	(278)
(Decrease)/Increase in trade and other payables		(51)	33
Net cash (outflow) from operating activities		<b>(20,422)</b>	<b>(19,686)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	6	(108)	(62)
Purchase of intangible assets	7	(117)	(104)
		<b>(225)</b>	<b>(166)</b>
<b>Cash flows from financing activities</b>			
Welsh Government funding (including Capital)		20,767	19,805
<b>Net financing</b>		<b>20,767</b>	<b>19,805</b>
<b>Net increase/(decrease) in cash and cash equivalents in the period</b>			
		<b>120</b>	<b>(47)</b>
Cash and cash equivalents at the beginning of the period	10	<b>248</b>	<b>295</b>
Cash and cash equivalents at the end of the period	10	<b>368</b>	<b>248</b>

Notes on pages 54 to 75 form part of these accounts.

<b>Statement of changes in taxpayers' equity for the year ended 31 March 2021</b>	<b>Pension reserve £'000</b>	<b>General reserve £'000</b>	<b>Total £'000</b>
<b>Balance as at 1 April 2019</b>	<b>490</b>	<b>761</b>	<b>1,251</b>
<b>Changes in taxpayers' equity 2019-20</b>			
Welsh Government funding	-	19,805	19,805
Transfer between reserves-Capital	(2,460)	2,460	-
Comprehensive expenditure for the year	-	(22,110)	(22,110)
<b>Balance at 31 March 2020</b>	<b>(1,970)</b>	<b>916</b>	<b>(1,054)</b>
<b>Changes in taxpayers' equity 2020-21</b>			
Welsh Government funding	-	20,767	20,767
Transfer between reserves-Capital	(380)	380	-
Comprehensive expenditure for the year	-	(20,906)	20,906
<b>Balance at 31 March 2021</b>	<b>(2,350)</b>	<b>1,157</b>	<b>(1,193)</b>

The notes on pages 54 to 75 form part of these accounts.

## Notes to the Accounts for the year ended 31 March 2021

### Statement of accounting policies

These accounts have been prepared in accordance with the 2020-21 Government Financial Reporting Manual (FReM) issued by the relevant authorities.

The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the circumstances of Social Care Wales for the purpose of giving a true and fair view has been selected. The particular policies adopted by Social Care Wales are described below and have been applied consistently in dealing with items that are considered material to the accounts.

#### 1(i) Accounting convention

The accounts have been prepared on a going concern basis, in accordance with the Accounts Direction issued by the Welsh Ministers with the consent of HM Treasury. They have been prepared under the modified historical cost convention.

#### 1 (ii) Financing

Social Care Wales receives monies from Welsh Government to fund its general revenue and capital activities. These amounts are regarded as financing and are credited to the general reserve on receipt.

#### 1(iii) Registration fee income

This arises from fees charged for registration on the Social Care Register. This fee is not considered to be for an on-going service but for registration in the register only. In line with International Accounting Standard 18 Revenue Recognition (IAS18), revenue is recognised at point of registration.

#### 1(iv) Apprenticeship certification income

Social Care Wales receives income for the compliance checking, printing and posting of apprenticeship certificates as part of its work for the Apprenticeship Certification Authority. The revenue associated with the provision of services is recognised over time in line with the completion of the delivery of the services. In addition as Social Care Wales have all the risks and rewards associated with the provision of the services the income is accounted for on a gross basis in line with IAS 18 and recognises any costs associated with these services separately.

#### 1(v) Training support and other grants

During 2020-21 Social Care Wales has made payments under the **Social Work Bursary Scheme** which is an incentive to train scheme for students enrolled on undergraduate and post-graduate social work training courses. This scheme includes payments to students of a non-income assessed bursary and an additional income assessed element for post-graduate students.

In addition, a **Practice Learning Opportunity Allowance** is also paid to all students. This expenditure is recognised as a liability on the receipt of the relevant grant claims in relation to the various elements of the Social Work Bursary Scheme. This is on the basis that once the grant has been approved, Social Care Wales is unable to avoid this cost, as after eligibility has been proven there are no conditions in relation to the grant that are within the control of Social Care Wales that limit the amount payable.

**Practice Learning Opportunity Funding (PLOF)** is provided to Local Authorities as a contribution towards the costs of securing practice learning opportunities for students undertaking approved social work courses in Wales. The grant is accounted for as a liability and the expenditure recognised in the Statement of comprehensive expenditure once the grant application has been successful. This is on the basis that at this point Social Care Wales cannot avoid paying this liability and there are no conditions in relation to the grant that would limit the amount payable.

Payments were made in relation to the **Continuing Professional Education and Learning (CPEL)** scheme where Social Care Wales fund 100 places each year to qualified social workers. All costs are charged to the Statement of comprehensive net expenditure in line with contractual payments made to Cardiff University. This is in line with IAS37 (provisions, contingent liabilities and contingent assets) as the total annual contract value should be recognised as a liability once the university course commences as Cardiff University have fulfilled their element of the contract at that point.

From 1 April 2017, Social Care Wales was given the responsibility for the administration of the **Social Care Wales Workforce Development Programme (SCWWD)** grant. The grant is provided to support Local Authorities to train and develop their own staff. Funding available from Social Care Wales through SCWDP in 2020-21 provides 70% of the cost of the programme currently £7,135,740. The remaining 30% is to be funded by Local Authorities. The conditions attached to the grant are that the grant must be spent on eligible expenditure and must be spent within the financial year. Therefore, the liability for the grant is recognised once the grant offer letter has been provided. This is on the basis that at this point there are no conditions that remain within the control of Social Care Wales that limit the eligible costs being incurred.

Other grants includes:

- Regional facilitation grants to Statutory Regional Partnership Boards,
- People using services and carers grants to Higher Education Institutions and
- Research grant to the Social Care Institute for Excellence (SCIE).

The liabilities for these grants are recognised once the grant has been claimed as at this point there are no conditions that remain within the control of Social Care Wales that limit the amount payable.

### **1(vi) Trade receivables and other current assets – Social Work Bursary Scheme**

During 2020-21 a small number of students terminated their training early, giving rise to a repayment of all or part of the award. The repayment due at 31 March 2021 totalled £59k (£45k: 31 March 2020) and this sum is included in Trade receivables and other current assets at note 9. It is the policy of Social Care Wales to seek full repayment of these funds.

**1(vii) Property, plant and equipment**

Property, plant and equipment of an individual or group value of £1,000 or more are capitalised. Property, plant and equipment have been valued at historic cost at the 31 March 2021, as in the opinion of Social Care Wales any revaluation adjustments are not material.

**1(viii) Intangible assets**

Information technology and licence purchases of an individual value of £1,000 or more are capitalised. Information technology and licence costs have been valued at historic cost at the 31 March 2021, as in the opinion of Social Care Wales any revaluation adjustments are not material.

**1(ix) Depreciation and amortisation**

Depreciation and amortisation is provided at rates calculated to write off the historic cost of each asset on a straight line basis over the asset's useful economic life as set out below, except for office refurbishment, where costs are written off over the remaining period of the office leases when purchased.

- Communications equipment – five years;
- Furniture – ten years;
- I.T. (property, plant and equipment) – four years;
- Accommodation costs – remaining period of accommodation leases when purchased;
- Information technology and licences (intangible assets) – four years.

Depreciation and amortisation is calculated monthly and begins in the month following the month of purchase. As such, purchases made in March 2021 will not begin to depreciate/amortise until the 2021-22 financial year. The exception to this rule is accommodation refurbishment costs where the depreciation charge is calculated on a daily basis.

**1(x) Leases**

Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

Expenditure on leases of property is charged to the Statement of comprehensive net expenditure on the basis of costs incurred in the year. Operating lease rentals of equipment are charged to the Statement of comprehensive net expenditure in equal amounts over the lease term.

IFRS 16 which was issued in January 2016 and was effective for most companies from January 2019 has not yet been adopted by the FReM. It requires that all leases with a lease term of more than 12 months be recognized as assets and liabilities in financial statements. It is anticipated that this will be adopted within the FReM from 2022-23.

**1(xi) Value Added Tax**

Social Care Wales is not registered for Value Added Tax (VAT). All expenditure including capital expenditure is reported including VAT, where relevant, as no VAT can be recovered.

**1(xii) Pension costs**

Past and present employees are covered by the Local Government Pension Scheme administered by Rhondda Cynon Taf County Borough Council, which is a multi-employer funded scheme. Further information is provided at note 15 to these Accounts where the principal assumptions used by the actuaries are outlined.

Pension costs have been disclosed in accordance with IAS 19 Employee Benefits. IAS 19 requires the disclosure of certain information covering assets, liabilities and income and expenditure relating to the Scheme.

**1(xiii) Provisions and contingent liabilities and contingent assets*****Provisions***

Social Care Wales provides for obligations arising from past events where there is a present obligation at the date of the Statement of financial position, it is probable Social Care Wales will be required to settle the obligation and a reliable financial estimate can be made.

***Contingent liabilities***

Social Care Wales discloses possible obligations arising from past events where the outcome is based on uncertain future events. Disclosure is made where a present obligation is not probable or cannot be measured reliably.

***Contingent assets***

Social Care Wales discloses a possible asset when the outcome is based on one or more uncertain future events not in the control of Social Care Wales.

## 2. Analysis of net expenditure by segment

The Statement of comprehensive net expenditure account reflects the segments that the operating results of Social Care Wales are reported to the Executive Management Team in order that performance can be assessed by these segments. Consequently, no further analysis of net expenditure by segment is provided.

3. Welsh Government funding	2020-21 £'000	2019-20 £'000
Grant in aid received from the Welsh Government	20,767	19,805
Amount credited to general reserve	<b>20,767</b>	<b>19,805</b>

As outlined in Note 1(ii) the total grants of £20,767k (2019-20:£19,805k) are now credited to the general reserve on receipt.

3(i) Non-retainable income	2020-21 £'000	2019-20 £'000
Interest on deposit account	1	4
<b>Total non-retainable income</b>	<b>1</b>	<b>4</b>

3(ii) Reconciliation of cash received from non-retainable income with amounts repaid to the Welsh Government	2020-21 £'000	2019-20 £'000
Cash received (income exceeding Welsh Government threshold)	1	4
Total income repayable	1	4
Cash repayment	1	4
<b>Due to the Welsh Government at the year end</b>	<b>-</b>	<b>-</b>

Social Care Wales has a liability to repay the Welsh Government interest received during the year, and fee income in excess of the target of £1,180k. The interest received of £1k was paid to Welsh Government. The fee income received in the year in cash terms totalled £1,155k (2019-20:£978k).

## 4. Programme costs

4(i) Training support and other grants	2020-21 £'000	2019-20 £'000
Social Work Bursary Scheme payments	2,102	2,162
Practice Learning Opportunity Funding	990	1,142
People using services and carers in social work training	66	57
Continuing Professional Education & Learning	-	50
Social Care Wales Workforce Development Programme	7,149	7,149
	<b>10,307</b>	<b>10,560</b>
<b>Other grants</b>		
Grants to regions	810	555
Research - Social Care Institute for Excellence	123	123
	<b>11,240</b>	<b>11,238</b>

4(ii) Non grant programme expenditure	2020-21 £'000	2019-20 £'000 Restated
Improvement and development	1,544	1,027
Work Welsh	-	132
Workforce regulation including regulation of social work training	856	742
	<b>2,400</b>	<b>1,901</b>

The previous years figures have been restated to reflect that all data costs are now included in Improvement and development and not in Workforce regulation. The previous years figures before restatement were Improvement and development (£807k) and Workforce regulation (£962k).

5. Administration costs	2020-21 £'000	2019-20 £'000 restated
Chair, members, and staff expenses	3	113
Other Chair, members and staff costs	131	128
Rental under operating leases- accommodation	273	265
Other premises costs	283	312
Workshops, seminars, promotions, publications	83	114
Equipment and software	199	240
Rental under operating leases- photocopiers & franking machines	23	23
Administration	52	56
External audit- audit work	21	21
Other professional fees	109	113
	<b>1,177</b>	<b>1,385</b>

The previous years figures have been restated to reflect that Chair, members and staff expenses are now purely the travel and subsistence costs for both members and staff. Previously they included members training costs, travel and venue costs for Board meetings which are now included in Other Chair, members and staff costs. The previous years figures before restatement were Chair, members and staff expenses (£121k) and other Chair, members and staff costs (£120k).

6. Property, plant and equipment year ended 31 March 2021	Accommodation refurbishment £'000	Furniture and fittings £'000	Information technology £'000	Assets under construction £'000	Totals £'000
<b>Cost</b>					
<b>At 1 April 2020</b>	<b>591</b>	<b>143</b>	<b>660</b>	<b>-</b>	<b>1,394</b>
Additions in the period			108	-	108
Disposals in the period				-	-
<b>At 31 March 2021</b>	<b>591</b>	<b>143</b>	<b>768</b>	<b>-</b>	<b>1,502</b>
<b>Depreciation</b>					
<b>At 1 April 2020</b>	<b>453</b>	<b>140</b>	<b>586</b>	<b>-</b>	<b>1,179</b>
Charged in the year	16	1	30	-	47
Disposals in the period				-	-
<b>At 31 March 2021</b>	<b>469</b>	<b>141</b>	<b>616</b>	<b>-</b>	<b>1,226</b>
<b>Net book value</b>					
<b>At 31 March 2021</b>	<b>122</b>	<b>2</b>	<b>152</b>	<b>-</b>	<b>276</b>
<b>At 1 April 2020</b>	<b>138</b>	<b>3</b>	<b>74</b>	<b>-</b>	<b>215</b>

year ended 31 March 2020	Accommodation refurbishment £'000	Furniture and fittings £'000	Information technology £'000	Assets under construction £'000	Totals £'000
<b>Cost</b>					
<b>At 1 April 2019</b>	<b>418</b>	<b>143</b>	<b>639</b>	<b>155</b>	<b>1,355</b>
Additions in the period	18	-	44	-	62
Transfer from assets under construction	155	-	-	(155)	-
Disposals in the period	-	-	(23)	-	(23)
<b>At 31 March 2020</b>	<b>591</b>	<b>143</b>	<b>660</b>	<b>-</b>	<b>1,394</b>
<b>Depreciation</b>					
<b>At 1 April 2019</b>	<b>414</b>	<b>139</b>	<b>578</b>	<b>-</b>	<b>1,131</b>
Charged in the year	39	1	31	-	71
Disposals in the period	-	-	(23)	-	(23)
<b>At 31 March 2020</b>	<b>453</b>	<b>140</b>	<b>586</b>	<b>-</b>	<b>1,179</b>
<b>Net book value</b>					
<b>At 31 March 2020</b>	<b>138</b>	<b>3</b>	<b>74</b>	<b>-</b>	<b>215</b>
<b>At 1 April 2019</b>	<b>4</b>	<b>4</b>	<b>61</b>	<b>155</b>	<b>224</b>

<b>7. Intangible assets</b> year ended 31 March 2021	<b>Information technology</b> £'000	<b>Licences</b> £'000	<b>Totals</b> £'000
<b>Cost</b>			
<b>At 1 April 2020</b>	<b>1,498</b>	<b>133</b>	<b>1,631</b>
Additions in the period	117	-	117
Transfer from development	-	-	-
Disposals in the period	-	-	-
<b>At 31 March 2021</b>	<b>1,615</b>	<b>133</b>	<b>1,748</b>
<b>Amortisation</b>			
<b>At 1 April 2020</b>	<b>1,197</b>	<b>85</b>	<b>1,282</b>
Charged in the year	131	13	144
Disposals in the period	-	-	-
<b>At 31 March 2021</b>	<b>1,328</b>	<b>98</b>	<b>1,426</b>
<b>Net book value</b>			
<b>At 31 March 2021</b>	<b>287</b>	<b>35</b>	<b>322</b>
<b>At 1 April 2020</b>	<b>301</b>	<b>48</b>	<b>349</b>

<b>7. Intangible assets</b> year ended 31 March 2020	<b>Information technology</b> £'000	<b>Licences</b> £'000	<b>Totals</b> £'000
<b>Cost</b>			
<b>At 1 April 2019</b>	<b>1,436</b>	<b>91</b>	<b>1,527</b>
Additions in the period	62	42	104
Transfer from development	-	-	-
Disposals in the period	-	-	-
<b>At 31 March 2020</b>	<b>1,498</b>	<b>133</b>	<b>1,631</b>
<b>Amortisation</b>			
<b>At 1 April 2019</b>	<b>1,067</b>	<b>77</b>	<b>1,144</b>
Charged in the year	130	8	138
Disposals in the period	-	-	-
<b>At 31 March 2020</b>	<b>1,197</b>	<b>85</b>	<b>1,282</b>
<b>Net book value</b>			
<b>At 31 March 2020</b>	<b>301</b>	<b>48</b>	<b>349</b>
<b>At 1 April 2019</b>	<b>369</b>	<b>14</b>	<b>383</b>

## 8. Financial instruments

As the cash requirements of Social Care Wales are primarily met through Grant-in-Aid provided by the Welsh Government, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with Social Care Wales's expected purchase and usage requirements and Social Care Wales is therefore exposed to little credit, liquidity or market risk.

9. Trade receivables and other current assets at 31 March	2021 £'000	2020 £'000
<b>Amounts falling due within one year</b>		
Trade receivables		
Welsh Government	11	1
Local Authorities	2	-
Social Work Bursary Scheme debtors	59	45
Other bodies	94	152
Other receivables		
Prepayments and accrued income	499	431
	<b>665</b>	<b>629</b>

Social Work Bursary Scheme debtors are repayable over more than one financial year, repayment contracts being agreed and signed by students which take account of their individual circumstances. However, for the purposes of disclosure, all balances have been included as falling due within one financial year.

10. Cash and cash equivalents	2020-21 £'000	2019-20 £'000
Balance at 1 April	248	295
Net change in cash and cash equivalent balances	120	(47)
Balance at 31 March	<b>368</b>	<b>248</b>

The balances at the 1st April 2019, the 1st April 2020, and the 31st March 2021 were held at Commercial Banks.

11. Trade payables and other current liabilities at 31 March	2021 £'000	2020 £'000
Amounts falling due within one year		
Trade payables		
Other taxation and social security	-	-
Other payables		
Accruals and deferred income	474	525
	<b>474</b>	<b>525</b>

## 12. Capital commitments

There were contracted capital commitments of £10k at 31 March 2021 not otherwise included in these financial statements (£10k at 31 March 2020).

13. Commitments under operating leases as at 31 March	2021 £'000	2020 £'000
<b>Obligations under operating leases comprise:</b>		
Land and buildings		
Not later than one year	273	278
Later than one year and not later than five years	1,092	1,113
Later than five years	787	1,080
	<b>2,152</b>	<b>2,471</b>
Other		
Not later than one year	22	22
Later than one year and not later than five years	-	20
Later than five years	-	-
	<b>22</b>	<b>42</b>

14. Staff costs	2020-21 Total costs £'000	2019-20 Total costs £'000
Salaries and wages	4,956	4,499
Social security costs	462	425
Other pension Costs	1,409	1,592
Apprenticeship levy	9	7
<b>Sub-total</b>	<b>6,836</b>	<b>6,523</b>
Less recoveries in respect of outward secondments	(50)	(19)
<b>Total net costs</b>	<b>6,786</b>	<b>6,504</b>

## 15. Retirement benefit obligations

### (i) Present staff and pensioners

Social Care Wales participates in a multi-employer funded pension scheme which provides benefits at a normal retirement age of 65. The assets of the scheme are held separately from those of Social Care Wales and are administered by Rhondda Cynon Taf County Borough Council. Social Care Wales share of the underlying assets and liabilities of the scheme was separately identified in the actuarial valuation at 31 March 2004 for the first time.

### 15(ii) Local Government Pension Scheme, a defined benefit scheme

The Scheme is contracted out of the State Earnings Related Pension Scheme (SERPS) and is not subject to the minimum pension requirements of the Pensions Act 1995. The Local Government Pension Scheme Regulations 1997 (regulation 77) specifies that actuarial valuations must be carried out at 31 March 1998, and triennially thereafter. The disclosures below relate to the Rhondda Cynon Taf County Borough Council Pension Scheme and have been provided by the Scheme's actuary Aon Hewitt Limited, London.

### 15(iii) Results under International Accounting Standard no.19 (Disclosure)

The disclosures below relate to the funded liabilities within the Rhondda Cynon Taf Pension Fund (the 'Fund') which is part of the Local Government Pension Scheme (LGPS). The LGPS is a funded defined benefit plan with benefits earned up to 31 March 2014 being linked to final salary. Benefits after 31 March 2014 are based on a Career Average Revalued Earnings scheme. Details of the benefits earned over the period covered by this disclosure are set out in 'The Local Government Pension Scheme Regulations 2013'(as amended) and 'The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014'(as amended).

## Funding / Governance arrangements of the LGPS

The funded nature of the LGPS requires the Employer and its employees to pay contributions into the Fund, calculated at a level intended to balance the pension liabilities with investment assets. Information on the framework for calculating contributions to be paid out is set out in LGPS Regulations 2013 and the Fund's Funding Strategy Statement. The last actuarial valuation was at 31 March 2019 and the contributions to be paid until 31 March 2023 resulting from that valuation are set out in the Fund's Rates and Adjustment Certificate. The Fund Administering Authority, Rhondda Cynon Taf County Borough Council is responsible for the governance of the Fund.

### Assets

Social Care Wales recognises gains and losses in full, immediately through the Statement of comprehensive net expenditure. In accordance with International Accounting Standard no.19 - Employee Benefits (IAS 19), disclosure of certain information concerning assets, liabilities and income and expenditure relating to pension schemes is required.

The assets allocated to the Employer in the Fund are notional and are assumed to be invested in line with the investments of the Fund for the purposes of calculating the return to be applied to these notional assets over the accounting period. The fund is large and holds a significant proportion of its assets in liquid investments. As a consequence there will be no significant restriction on realising assets if a large payment is required to be paid from the Fund in relation to an employer's liabilities. The assets are invested in a diversified spread of investments and the approximate split of assets for the Fund as a whole (based on data supplied by the Administering Authority) is shown in the disclosures split by quoted and unquoted investments. The Fund Administering Authority may invest a small proportion of the Fund's investments in the assets of some of the employers participating in the Fund if it forms part of their balanced investment strategy.

## Risks associated with the Fund in relation to accounting

### Asset volatility

The liabilities used for accounting purposes are calculated using a discount rate set with reference to corporate bond yields at the accounting date. If assets underperform, this yield this will create a deficit in the accounts. The Fund holds a significant proportion of growth assets which, while expected to outperform corporate bonds in the long term, creates volatility and risk in the short term in relation to the accounting figures.

### Changes in bond yield

A decrease in corporate bond yields will increase the value placed on the liabilities for accounting purposes although this will be marginally offset by the increase in the assets as a result (to the extent the Fund invests in Corporate bonds).

### Inflation risk

The majority of the pension liabilities are linked to either pay or price inflation. Higher inflation expectations will lead to a higher liability value. The assets are not perfectly correlated with inflation meaning that an increase in inflation will increase the deficit.

### Life expectancy

The majority of the Fund's obligations are to provide benefits for the life of the member following retirement, so increases in life expectancy will result in an increase in the liabilities.

## Exiting employers

Employers who leave the Fund (or their guarantor) may have to make an exit payment to meet any shortfall in assets against their pension liabilities. If the employer (or guarantor) is not able to meet this exit payment the liability may in certain circumstances fall on other employers in the Fund. Further the assets at exit in respect of 'orphan liabilities' may, in retrospect, not be sufficient to meet the liabilities. This risk may fall on other employers. 'Orphan liabilities' are currently a small proportion of the overall liabilities in the Fund.

## Other notes

### McCloud judgement

The 'McCloud' judgement in the Court of Appeal found that the transitional protection arrangements put in place when the firefighters' and judges' pension schemes were reformed were age discriminatory. On 27 June 2019 the Supreme Court denied permission for Government to appeal this judgement, and on 15 July 2019 the Government issued a ministerial statement saying they would expect to compensate members across all public-sector schemes which contained transitional protection arrangements (which includes the LGPS).

The Minister of Housing, Communities and Local Government (MHCLG) published its McCloud consultation for the LGPS (in England and Wales) on 16 July 2020, setting out proposed changes aimed at removing the unlawful age discrimination in the LGPS. The consultation closed on 8 October 2020 and we are awaiting the consultation response.

We have allowed for the impact McCloud judgement in these figures and the method used is closely aligned with the method proposed by the MCHLG in its consultation. This is the same approach as last year when the liability was reported for the first time using a roll-forward method based on last year's results.

### Cost management in the LGPS

Legislation requires HM Treasury and the Scheme Advisory Board (SAB) to undertake periodic valuations to monitor the cost of the LGPS to ensure it remains sustainable and affordable. This is referred to as the 'Cost Management Process'.

HM Treasury and the SAB had paused their reviews following the 'McCloud' judgement in the Court of Appeal. These have now been unpaused and HM Treasury Directions are expected to be made over 2021 which will allow the Treasury and SAB reviews to proceed. It is unlikely the outcome of these reviews will be known in 2021 and no changes in benefits or member contributions are expected until 2024. Therefore, no allowance for the Cost Management Process has been made in these figures.

### GMP equalisation and indexation

On 26 October 2018 the High Court ruled in the Lloyds Bank case that equalisation for the effect of unequal Guaranteed Minimum Pensions (GMPs) is required. The ruling confirmed that trustees have a duty "to equalise benefits for men and women so as to alter the result which is at present produced in relation to GMPs".

These figures allow for full pensions increases to be paid on GMPs to individuals reaching State Pension Age after 6 April 2016. The calculations are an approximate method as the Government is consulting on its approach to compensating affected members. Whilst the final remedy arising from the consultation may be different from the method used we expect the outcome will include extension

of full indexation for many members who are yet to be compensated and therefore we consider the approach to be a reasonable estimate.

In October 2020 a second ruling in the Lloyds bank case clarified that compensation would be required to members who transferred benefits out since May 1990. The Government has not yet acknowledged a liability or indicated an approach to rectifying this. Therefore no allowance has been made for any potential liability.

### Goodwin ruling

In June 2020 an Employment Tribunal ruled, in relation to the Teachers Pension Scheme, that provisions for survivor's benefits of a female member in an opposite sex marriage are less favourable than for a female in a same sex marriage or civil partnership, and that treatment amounts to direct discrimination on grounds of sexual orientation. The chief secretary to the Treasury announced in a written ministerial statement on 20 July 2020 that he believed that changes would be required to other public service pension schemes with similar arrangements. These changes are yet to be reflected in the LGPS regulations so no allowance has been made in the calculations.

The Employer's regular contributions to the Fund for the accounting period ending 31 March 2022 are estimated to £1.33m. The date of the last full actuarial valuation of Social Care Wales LGPS funded benefits was 31 March 2019 and the duration of liabilities is 26.3 years.

Key assumptions	31 March 2021 (% pa)	31 March 2020 (% pa)	31 March 2019 (% pa)
Discount rate	2.1	2.3	2.5
CPI inflation	2.6	1.8	2.1
Pension increases	2.6	1.8	2.1
Pension accounts revaluation rate	2.6	1.8	2.1
Salary increases	3.9	3.1	3.4

### Mortality assumption

The mortality assumptions are based on actual mortality experience of members within the Fund based on analysis carried out as part of the 2019 valuation and allow for expected future mortality improvements. Sample life expectancies at age 65 resulting from these mortality assumptions are shown below.

Assumed life expectancy at age 65	31 March 2021	31 March 2020
<b>Males</b>		
Pensioner member aged 65 at accounting date	21.8	21.7
Active member aged 45 at accounting date	22.8	22.7
<b>Females</b>		
Pensioner member aged 65 at accounting date	24.1	24.0
Active member aged 45 at accounting date	25.6	25.5

Asset allocation	Value at 31 March 2021			Value at 31 March 2020
	Quoted	Unquoted	Total	
Equities	72.5%	0.0%	72.5%	63.7%
Property	6.3%	0.0%	6.3%	8.6%
Government bonds	8.3%	0.0%	8.3%	13.8%
Corporate bonds	12.3%	0.0%	12.3%	13.0%
Cash	0.6%	0.0%	0.6%	0.9%
Other	0.0%	0.0%	0.0%	0.0%
<b>Total</b>	<b>100.0%</b>	<b>0.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Reconciliation of funded status to the Statement of financial position	Value at 31 March 2021 (£M)	Value at 31 March 2020 (£M)
Fair value of assets	30.65	21.71
Present value of funded defined benefit obligation	33.0	23.68
<b>Funded status</b>	<b>(2.35)</b>	<b>(1.97)</b>
Unrecognised asset	0.00	0.00
<b>(Liability) recognised on the SOFP</b>	<b>(2.35)</b>	<b>(1.97)</b>

The split of the liabilities obligation at the last valuation date between the various categories of members was as follows:

Active members	56%
Deferred pensioners	18%
Pensioners	26%

<b>Amounts recognised in comprehensive net expenditure</b>	<b>Year ending 31 March 2021 (£M)</b>	<b>Year ending 31 March 2020 (£M)</b>
<b>Operating cost</b>		
Current service cost <sup>(1)</sup>	1.39	1.32
Past service cost (incl. curtailments)	0.00	0.27
Settlement cost	0.00	0.00
<b>Financing cost</b>		
Interest on net defined benefit liability/(asset)	0.03	(0.03)
<b>Pension cost recognised in net expenditure</b>	<b>1.42</b>	<b>1.56</b>
<b>Remeasurements in other comprehensive expenditure</b>		
Return on plan assets (in excess of) that recognised in net interest	(7.05)	0.86
Actuarial (gains)/losses due to change in financial assumptions	7.60	(0.60)
Actuarial (gains)/losses due to change in demographic assumptions	-	(0.33)
Actuarial (gains)/losses due to liability experience	(0.21)	2.25
Adjustment in respect of paragraph 64	0.00	0.00
<b>Total amount recognised in other comprehensive expenditure</b>	<b>0.34</b>	<b>2.18</b>
<b>Total amount recognised in total comprehensive expenditure</b>	<b>1.76</b>	<b>3.74</b>
(1) Allowance for administration expenses included in current service cost (£M)	0.02	0.02

<b>Changes to the present value of the defined benefit obligation</b>	<b>Year ending 31 March 2021 (£M)</b>	<b>Year ending 31 March 2020 (£M)</b>
<b>Opening defined benefit obligation</b>	<b>23.68</b>	<b>20.51</b>
Current service cost	1.39	1.32
Interest expense on defined benefit obligation	0.54	0.51
Contributions by participants	0.30	0.27
Actuarial (gains)/losses due to changes in financial assumptions	7.60	(0.60)
Actuarial (gains)/losses due to changes in demographic assumptions	-	(0.33)
Actuarial (gains)/losses due to liability experience	(0.21)	2.25
Net benefits paid out	(0.30)	(0.52)
Past service cost (incl. curtailments)	0.00	0.27
Net increase in liabilities from disposals/ acquisitions	0.00	0.00
Settlements	0.00	0.00
<b>Closing defined benefit obligation</b>	<b>33.0</b>	<b>23.68</b>

<b>Changes to the fair value of assets during the year</b>	<b>Year ending 31 March 2021 (£M)</b>	<b>Year ending 31 March 2020 (£M)</b>
<b>Opening fair value of assets</b>	<b>21.71</b>	<b>21.00</b>
Interest income on assets	0.51	0.54
Remeasurement gains(losses) on assets	7.05	(0.86)
Contributions by the employer	1.38	1.28
Contributions by the participants	0.30	0.27
Net benefits paid out	(0.30)	(0.52)
Net increase in assets from disposals & acquisitions	0.00	0.00
Settlements	0.00	0.00
<b>Closing fair value of assets</b>	<b>30.65</b>	<b>21.71</b>

<b>Actual return on assets</b>	<b>Year ending 31 March 2021 (£M)</b>	<b>Year ending 31 March 2020 (£M)</b>
Interest income on assets	0.51	0.54
Remeasurement gains /(losses) on assets	7.05	(0.86)
<b>Actual return on assets</b>	<b>7.56</b>	<b>(0.32)</b>

### Estimated pension expense in future periods

#### Funded benefits

We provide an estimate of the charges to comprehensive expenditure on the provision of services in future periods, based on the assumptions outlined above.

<b>Analysis of amount charged in other comprehensive expenditure on the provision of services next year</b>	<b>Year ending 31 March 2022 (£M)</b>
Current service cost	2.14
Interest on net defined benefit liability	0.04
<b>Total estimated pension expense</b>	<b>2.18</b>
Allowance for administration expenses included in the Current service cost (£M)	0.02
Estimated pensionable payroll over the period (£M)	4.45

#### Sensitivity analysis

The approximate impact of changing the key assumptions on the present value of the funded defined benefit obligation as at 31 March 2021 and the projected service cost for the year ending 31 March 2022 is set out below.

In each case only the assumption mentioned is altered; all other assumptions remain the same as summarised above.

We have not included sensitivity of unfunded benefits (where applicable) on materiality grounds.

## Funded LGPS benefits

<b>Discount rate assumption</b> Adjustment to discount rate	<b>+0.1% p.a.</b>	<b>Base figure</b>	<b>-0.1% p.a.</b>
Present value of total obligation (£M)	32.14	33.00	33.89
% change in present value of total obligation	(2.6%)	-	2.7%
Projected service cost (£M)	2.06	2.14	2.22
<b>Approximate % change in projected service cost</b>	<b>(3.8%)</b>	<b>-</b>	<b>3.9%</b>

<b>Rate of general increase in salaries</b> Adjustment to salary increase rate	<b>+0.1% p.a.</b>	<b>Base figure</b>	<b>-0.1% p.a.</b>
Present value of total obligation (£M)	33.13	33.00	32.87
% change in present value of total obligation	0.4%	-	(0.4%)
Projected service cost (£M)	2.14	2.14	2.14
Approximate % change in projected service cost	0.0%	-	0.0%

<b>Rate of increase to pensions in payment and deferred pensions assumption, and rate of revaluation of pension accounts assumption</b> Adjustment to pension increase rate	<b>+0.1% p.a.</b>	<b>Base figure</b>	<b>-0.1% p.a.</b>
Present value of total obligation (£M)	33.76	33.00	32.27
% change in present value of total obligation	2.3%	-	(2.2%)
Projected service cost (£M)	2.22	2.14	2.06
Approximate % change in projected service cost	3.9%	-	(3.8%)

<b>Post retirement mortality assumption*</b> Adjustment to mortality age rating assumption	<b>-1 year</b>	<b>Base figure</b>	<b>+1 year</b>
Present value of total obligation (£M)	34.19	33.00	31.85
% change in present value of total obligation	3.6%	-	(3.5%)
Projected service cost (£M)	2.23	2.14	2.05
Approximate % change in projected service cost	4.1%	-	(4.0%)

\* A rating of +1 year means that members are assumed to follow the mortality pattern of the base table for an individual that is 1 year older than them.

## 16. Provisions and contingent liabilities disclosed under IAS 37

The lease agreements in relation our Cardiff and St Asaph Offices potentially requires that any alterations, additions and partitioning should be removed on cessation of the lease. No provision has been made as this obligation is uncertain and is contingent on the landlord requesting the removal.

## 17. Contingent asset

At 31 March 2021 there were £106k of registration fees outstanding. Under the Regulation and Inspection Act (Wales) 2016 it was originally assumed that we could only remove registrants for non payment of outstanding fees at renewal of registration which takes place three years after initial registration and then on a three year cycle. Based on experience to date it is only at the this renewal date we are able to substantiate that in relation to the majority of outstanding fees whether the registrant has not paid due to leaving the sector (and the outstanding fee will not be pursued) or if it is a genuine debt in relation to an ongoing registrant.

Following discussions with Welsh Government it was agreed that the Act did allow the removal of debtors prior to the renewal date. Work has begun in removing debtors but we are still not in a position to substantiate what is genuine debt or not.

Therefore the £106k outstanding is not treated as income in the Statement of comprehensive net expenditure as we are not sure of the precise economic value of this amount as on an individual basis we will not know whether the income will materialise until the renewal date of each individual amount/ amounts owed is reached.

## 18. Related party transactions

During the year Social Care Wales has had various material transactions with the Welsh Government which is regarded as a related party. The transactions and balances were as follows:-

	2020-21	2019-20
Income	£20.791m	£19.805m
Expenditure	£0.144m	£0.128m
Debtor balance as at 31 March	£0.011m	£0.001m
Creditor balance as at 31 March	-	-

### Social Care Wales Board members and staff

No employees including key management personnel or board members nor their related parties were involved directly or indirectly in any transactions with Social Care Wales during the year, apart from normal expense claims, salary payments etc. Information about key management personnel is included in the Remuneration report.

However for transparency we do disclose material transactions with organisations in which senior staff or members or any of their family held positions of influence during the year.

Our previous Chair was also a Council Member of the University of Wales and was the Chair of the Audit and Risk Committee of the University of Wales Trinity St David. The expenditure transactions with the University of Wales Trinity St David was £1,040 in 2019-20. There were no debtor or creditor balances as at the 31 March 2020.

In addition, two members of our board were also members of the Regional Partnership Boards which received grant funding from Social Care Wales in the form of Regional Facilitation Grant. The transactions were as follows:-

Board Member	Role	Regional Partnership Board	Expenditure 2020-21 (£)	Expenditure 2019-20 (£)
Abigail Harris	Member	Cardiff & Vale Regional Partnership Board	73,036	73,036
Carl Cooper	Deputy Chair	Powys Regional Partnership Board	57,574	32,574

Please note that the payments in the table above were made to the nominated local authority being Cardiff City Council (Cardiff and Vale) and Powys County Council (Powys).

## 19. Third party assets

Social Care Wales does not hold any third party assets in which it acts as a custodian or a trustee.

## 20. Events after the reporting period

There are no events after the reporting period, which require adjustment to the 31 March 2021 financial statements.



Gofal Cymdeithasol **Cymru**  
Social Care **Wales**



Ariennir gan  
**Lywodraeth Cymru**  
Funded by  
**Welsh Government**

